

**BEHCO**  
MADE IN SWITZERLAND  
A new range of high quality gents' & ladies' watches has just arrived at our showrooms. Come & have a look at the precision & elegance.

Agent: **YACOB BEHBEHANI**  
At Sultan Showrooms: 2421121  
Sultan Showrooms: 2421121  
Sultan Showrooms: 2421121

# ARAB TIMES

**IFALKEN**  
High Performance Radial Tyres By **OHTSU**  
The most advanced tyre technology from Japan

**TIRES CENTER CO.**  
P.O. Box 26191, Safat 13122 Kuwait  
Tel. 4830815-4830830. Telex: TYRCENT 44473 KT. FAX: 4838140

NO. 7575 MONDAY, JUNE 5, 1989 / ZI AL QADAH 2, 1409 AH 28 PAGES 150 FILLS

## Khomeini dies, Khamenei successor

Iran mourns Ayatollah: machine-gun toting troops appear on street corners

**NICOSIA, June 4, (Agencies):** Iran's ruling clergy today chose President Ali Khamenei to succeed Ayatollah Khomeini within 24 hours of the supreme leader's death.

As Iranians filled the street of Tehran to mourn the death of Khomeini, who underwent surgery to stem internal bleeding on May 23, a special constitutional body under the chairmanship of Ayatollah Ali Meshkini met for eight hours to decide on his successor.

Tehran Radio broke into a scheduled news broadcast to announce the decision of the Assembly of Experts at about 8.45 pm (1715 GMT). The radio said the vote in the nearly 83-member body was more than two-thirds in favour of Khamenei, 49, becoming "leader of the Islamic Republic."

Khamenei, who ends his second four-year term as President in October, is barred by the constitution from standing again. It is unclear whether he will have the dual religious and political power exercised by Khomeini since Iran's Islamic revolution of 1979.

Khomeini, 86, died last night of a heart attack. He left unfinished a

### Amir and Crown Prince send messages

**KUWAIT, June 4, (KUNA):** HH the Amir today sent a cable of condolences to President Ali Khamenei of Iran on the death of Iranian leader Ayatollah Khomeini.

HH Crown Prince and Premier Sheikh Saad Al Abdullah sent a similar cable to Iranian Prime Minister, Mir Hussein Musavi.



An injured female student is carried out of Tiananmen Square after the military advanced. (Reuter wirephoto)

### Massacre toll may top 1,000

**BEIJING, June 4, (Agencies):** Outraged citizens burned Army trucks and hurled stones at troops today as the military struggled to regain control of the capital in the second day of a bloody crackdown on pro-democracy demonstrators that left more than 300 people dead.

Sporadic gunfire echoed through the city as troops fought to contain an uprising fuelled by growing rage at the ruthless military suppression of the peaceful pro-democracy movement centred in Beijing's main square.

Protesters displayed ghastly evidence of the bloodletting that began last night, including headless corpses and the body of a soldier burned and then strung up on a pedestrian overpass in Tiananmen.

The violence threatened to escalate. Western diplomats and foreign witnesses said students who have led seven weeks of pro-democracy protests had captured an unknown number of weapons.

At Chinese People's University, students paraded a captured armoured personnel carrier through the streets of the north-west university district. Other students claimed sympathetic soldiers had turned over their assault rifles.

Sporadic gunfire continued throughout the day today as

(Continued on Page 5, Col. 1)

See Special reports Pages 4 and 5

### Rassem is dead

**OCCUPIED JERUSALEM, June 4, (Reuters):** Omar Al Qasbi, a Palestinian commando leader regarded as a symbol of his people's unity died in hospital today after 21 years in an Israeli prison.

### Blast kills 800 in Soviet trains

Leaking gas pipeline explodes

**MOSCOW, June 4, (Agencies):** At least 800 people were killed when a leaking gas pipeline exploded near the Trans-Siberian railway wrecking two passenger trains, a correspondent for the local Communist Party newspaper said today.

Vitaly Cherepanov told Reuters by telephone from the Ural Mountain city of Chelyabinsk that a high-ranking local party official had informed him of the death toll.

"At least half of the people (on the two trains) died," Cherepanov said, quoting Leon Rabinovich, deputy chairman of the local party.

Tass said two passing trains

Business Survey on Kuwait a 10-page supplement See Pages 13-22

carried more than 1,200 people in the central Soviet Union.

The news agency gave no death toll but said at least 800 people were missing in a "huge catastrophe" and "a terrible tragedy."

**SOVIET President Mikhail Gorbachev** described the scene as "real hell" and suggested negligence or a violation of work procedure had caused yesterday's accident.

"I have to say this: I believe we're being persecuted by these events — first one then another. Many of them are caused by mismanagement, irresponsibility, disorganisation," he said.

"I cannot say for sure right now, but experts are saying that once again we have negligence and violations in the operation of complex equipment."

Gorbachev, accompanied by Prime Minister Nikolai Ryzhkov and a number of ministers, said initial investigation showed that

the gas had been leaking for several days near the site of the accident.

"When the train passed by, a spark set off the explosion," he said. "It was real hell there."

Ufa mayor Mikhail A. Zaitsev said 400 of the injured were transported to his city, which he said was 100 kms (62 miles) west of the site, but he did not know the number killed.

"Helicopters are constantly arriving with more injured," he said in a telephone interview.

TV film broadcast to millions of Soviets showed charred railroad cars without windows lying at odd angles amid twisted tracks and protruding railroad ties. The surrounding area was blackened and barren as though it had been bulldozed, a stark contrast to the lush green of trees dominating the landscape.

The blast was so strong it shattered windows in a village 12 kms (7 miles) away, and incinerated dozens of acres (hectares) of trees, a TV correspondent said in a report from Chelyabinsk, the biggest city near the accident site.

As graphic film of bloody and blackened faces of victims flashed on the screen, the correspondent said many of the injured suffered second- and third-degree burns, some over 80 per cent of their skin.

One little boy lying on a stretcher in an ambulance at the Chelyabinsk airport was so visibly hurt the correspondent had to tell viewers. "He's living."

The death toll given by Cherepanov suggested the accident was the worst Soviet rail disaster ever. In the previous worst reported disaster, 106 people died in August 1987 when two trains collided in a Russian coal town.

the Buddhist religious centre and resort town of Kandy.

"We have counted 163 bodies so far. Maybe some more are buried under mud," Banda said when contacted by telephone. The road between Colombo and Kegalle was blocked by landslides.

He said landslides occurred in at least 10 areas of the Kegalle district.

At least 30 people died in Bulathkotiya, 16 kilometres (10 miles) south of Kegalle, when the entire village was buried under mud and dirt, Banda said.

review of the Iranian constitution which he had ordered.

The changes are expected to abolish the office of prime minister and make the president chief executive as well as ceremonial head of state.

Frontrunner for the enlarged office is the Speaker of Parliament, Ali Akbar Hashemi Rafsanjani, 54, who has Khamenei's endorsement for the post.

Like Khomeini, Hojatoleslam Khamenei is a senior Shiite Muslim cleric although he does not rank among the handful of surviving grand ayatollahs.

Iranian Television today broadcast film of Khomeini's body, bareheaded and eyes closed, with his son and chief aide Ahmad weeping alongside. The body, shown on a bed, was covered to the neck by a white sheet.

The television, monitored in Cyprus, also showed excited mourners storming into the meeting hall beside his north Tehran home where Khomeini held audiences.

**Hysteria**  
They scrambled up pillars to reach the chair where he used to sit, embracing and kissing it in a hysterical melee.

The title "Leader of the Islamic Republic" used by IRNA and Tehran Radio in announcing the appointment was also applied to Khamenei.

But it is less exact that the Farsi "valy-e faqih" — religious ruler — defined in a passage of the constitution which is also under review.

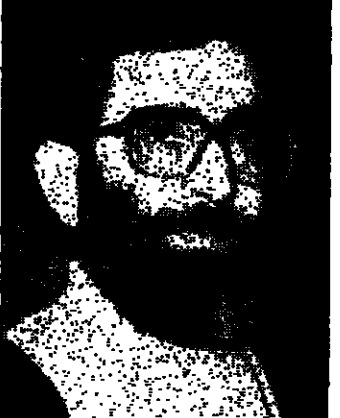
It was not immediately clear whether Khamenei's appointment was intended to be permanent or an interim measure until a new constitution is approved.

Khamenei is a mild-mannered man, well known to Iranians as Tehran's Friday prayer leader, and is a long-time disciple of Khomeini.

He lost the use of his right arm in June 1980 when a bomb hidden in a tape recorder exploded while he was speaking at a Tehran mosque.

That injury possibly saved his life. He would otherwise have been at a political meeting the next night when a powerful

(Continued on Page 2)



Khamenei

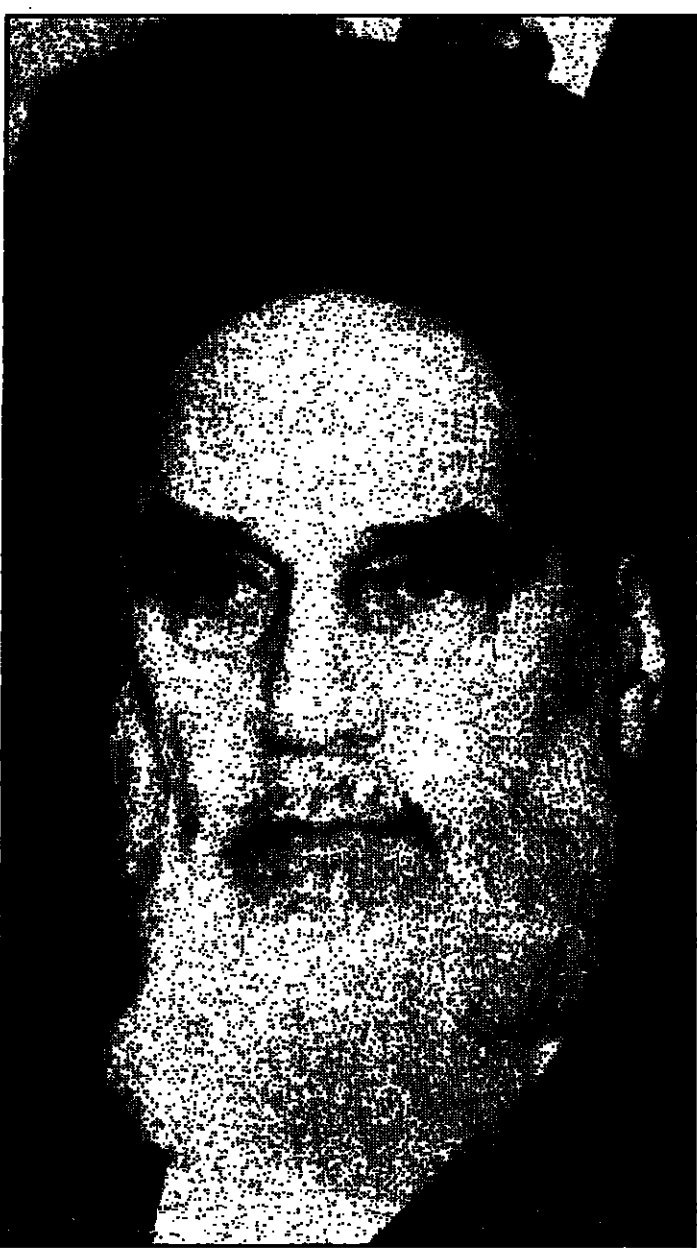
### Interior Ministry loses money

SIX people have cheated the Ministry of Interior of about half a million dinars, according to a local daily.

Official sources told the daily the general prosecution had completed its original investigations in an embezzlement case that originally appeared to involve KD90,000 and three suspects.

But, during investigations suspicion heightened relating to the actual amount embezzled as also the number of persons involved.

Fresh investigations revealed that the number of accused was six including three Kuwaitis, two Egyptians and one Palestinian and the amount involved was half a million Kuwaiti Dinars.



Khomeini: end of an era

### A sense of loss

Struggle expected

By Lima Khalafawi Arab Times staff

IRANIAN expatriates in Kuwait expressed a deep sense of loss at the passing away of their spiritual leader Ayatollah Khomeini.

Nasser Mohammad a vendor at the vegetable market said that the Revolutionary Guard are presently maintaining both political and military control in Iran. He added that he did not believe that there will be any turmoil in the country.

However, he said that the death of Khomeini was in the recent past few weeks expected, due to the deteriorating condition of his health.

Another Iranian, who refused to be identified, said that there seems to be an internal struggle between the son of the ayatollah and Rafsanjani, speaker of the Majlis.

Akwar Al Shammini, a fishmonger in Kuwait, said that the son of the ayatollah in all probability will inherit the responsibilities of his father. He added that he believed that there will be a split in the Majlis due to in-fighting for electing a leader.

Ahmed, another vendor, commented that, as Iranians here in Kuwait are engaged in eking

out a living and feel it is not advisable to discuss the post-Khomeini scenario in Iran.

Another vegetable vendor who has been in the business in Kuwait for the past 35 years said that public mourning will take place in Iran for a considerable time. He added that if there are going to be elections, these will be fraudulent and will reflect the country, he added.

Another vendor of 22-years in Kuwait commented that he was saddened by the death of Khomeini. He added that his death will now delay the ongoing peace talks between Iran and Iraq.

Khamis Ali, also in Kuwait for the past 15 years, while talking to his Iranian colleagues said that he will go back to his country as he felt that protests will take place and believed that he should be around to protect his family. He indicated that he felt that the situation in Iran will for some time not be stable.

The general consensus among Iranians was that they are reluctant to comment on developments or postulate on exactly what the political situation including other conditions within and without Iran will be after the death of Khomeini.

### Housing to be shifted to the private sector

**KUWAIT, June 4, (Reuters):** Kuwait announced today it is preparing to spin off some of its state-run housing industry to the private sector, in what officials say is a general trend toward a freer economy.

"In its desire to present superior housing services... and reduce waste from modifications after the owners receive their houses... the cabinet has decided to begin the required steps for implementation," a statement issued after the weekly cabinet meeting said.

The statement, carried by the Kuwaiti news agency KUNA, said the move was also aimed at reducing the waiting period for

new homes.

Officials say other steps are planned, including the sale of banks, businesses and other state-owned assets.

According to economists, the government currently gives married Kuwaiti couples a 54,000 diann (\$185,000) long-term loan to purchase housing.

The couple can use the loan either to buy a new home built by the National Housing Authority or combine it with their own money to go to a private contractor.

A government-built home, while substantially cheaper, can mean a wait of eight years before moving in.

### Bani-Sadr, Bakhtiar speak

## 'Death of dictatorship'

By Jadranka Porter Arab Times staff

IRANIAN opposition leaders yesterday hoped democracy will be restored in post-Khomeini Iran.

FORMER Iranian President Abolhassan Bani-Sadr said yesterday that he is ready to return to Iran and indicated that he might have the support of Ayatollah Montazeri, who was recently forced to resign the post as Ayatollah Khomeini's successor.

Speaking in an exclusive telephone interview with the Arab Times from his exile home in Paris, Bani-Sadr said: "I am prepared to return to Iran and will do so as soon as democracy is established there. I am convinced that democratic forces will win. The death of Khomeini marks the death of dictatorship."

He said Montazeri wrote a letter to Khomeini a few days before his death in which he said that Iran deviated from its revolution when Bani-Sadr left the country. The former president said Montazeri expressed the will of the people to establish democracy in the country.

Asked whether he thought Montazeri would support him if he returned to Iran he replied: "I don't see why not if the principles of democracy are introduced in Iran." He said he has not been in touch with Montazeri, who is under surveillance, because he did not want to expose him to danger.

He added that Khomeini made a mistake in discarding Montazeri.

Bani-Sadr has been living in France since making a dramatic escape on board an Air Force Boeing 707 in June 1981, shortly after he was removed from power by a Parliament that declared him incompetent.

Another Iranian Paris-based exile, Abdul Rahman Boromand of the Iranian National Resistance Movement, confirmed the contents of the letter but questioned Montazeri's support for Bani-Sadr.

"Montazeri was in Iran when Bani-Sadr was ousted and he kept silent then," Boromand told the Arab Times.

### EXCLUSIVE

Bani-Sadr put forward three different scenarios for the future in Iran:

- that Khomeini will be succeeded by three men, his son Ahmad, Parliamentary Speaker Hashemi Rafsanjani and President Ahmad Khamenei, who will rule jointly.
- that civil war will break out and
- that democracy will be re-established.

He said he was convinced that eventually democratic forces would win. The possibility of the civil war is not likely as people are aware of its dangers and because armed groups do not have the popular support, he said.

"The Revolutionary Guards are split in numerous factions with some supporting Montazeri and others favouring Rafsanjani and several other leaders."

He ruled out the possibility of Iran's return to monarchy. "No chance," he said. "People have already given their verdict on that issue."

FORMER Iranian Prime Minister Shapour Bakhtiar, said yesterday he would fight with all possible means for the establishment of a secular state in Iran, and vowed to bring peace and stability to the Gulf region if he returned to power in Iran.

"We want peace and independence for Iran and our neighbourhood" (Continued on Page 2, Col. 3)

**SPECIAL OFFER AT AL WAJEEH**

OPEN FRIDAYS Mornings Evenings

KUNZEL	KD 6.990	Men's German Trousers
Geis	KD 6.850	Men's German Trousers
paco rabanne	KD 4.400	Men's Baggy Trousers
HEIDEMANN	KD 5.850	Men's German Trousers
BI	KD 6.500	Men's English Trousers
mare adam	KD 2.575	Men's English Shirt
ALEXANDRE	KD 3.950	Men's French Shirt
PIERRE BALMAIN	KD 3.950	Men's English Shirt
PIERRE BALMAIN	KD 2.400	Men's English Tie
PAOLO GIORGI	KD 6.990	Men's Safari Suit
KUNZEL	KD 39.750	Men's German Suit
Flamingo	KD 22.850	Men's Italian Suit
Geis	KD 34.750	Men's German Suit
MASTER	KD 4.990	Men's Italian Sandal
NEV NEN	KD 8.950	Men's Italian Shoe
SHOE FASHION	KD 6.990	Men's Italian Shoe

1st Branch: Salem Al Mubarak St. Opp. Gulf Bank Tel.: 5720396  
2nd Branch: Salem Al Mubarak St. Beside K.A.C. Tel.: 5718420



## Corpses delivered to mortuary

LAGOS, June 4. (Reuters): Police have delivered up to 50 corpses to a Lagos mortuary after riots over government economic policies flared in the Nigerian capital, newspapers reported today.

The mortuary was closed today but security staff at Lagos General Hospital said police had brought in two trucks loaded with bodies after the disturbances on Wednesday.

The Sunday Punch newspaper said police brought the corpses to the city centre from Ketu, an outlying suburb of the sprawling capital, because the mortuary at nearby Ikeja was already full.

## Benazir leaves for US

ISLAMABAD, June 4. (KUNA): Pakistani Prime Minister Benazir Bhutto left here today on a six-day official visit to the United States.

After a stopover in Geneva, she is expected to arrive in Washington tomorrow.

Benazir will hold talks with US President George Bush and a number of Congress members, on developing bilateral relations, especially in the field of economy, military co-operation between the two countries and some regional issues topped by the Afghan problem.

See another look at Afghan policy Page 8

## Prisoners die of smoke inhalation

TURIN, Italy, June 4. (UPI): Ten female prisoners and two guards died of smoke inhalation early yesterday when a pile of foam mattresses caught fire and filled a cellblock with toxic fumes.

Officials at the Vallette prison said the mattresses, stacked up under an outside portico of the women's section holding around 125 prisoners, burst into flames around midnight.

## Fire raging on oil platform

MOSCOW, June 4. (Reuters): A fire is still raging on a Caspian Sea oil platform nine days after it began, the Soviet Communist Party youth newspaper Komsomolskaya Pravda said yesterday.

Flames 50 metres (163 feet) high were shooting up from platform number two in the April 28 oilfield and the temperature in the fire zone was 900 degrees Centigrade (1,650 degrees Fahrenheit), the newspaper said.

## Defence consultant jailed

ALEXANDRIA, Va., June 4. (Reuters): A former US Navy official and a defence consultant were jailed for 26 months and each fined \$25,000 on Friday for defrauding the Pentagon.

Stuart Berlin, a former Navy procurement official, had pleaded guilty to conspiracy to defraud the United States conspiracy to commit bribery and wire fraud and making false statements as a public official.

## Shootout erupts at wedding

VALLETTA, Malta, June 4. (AP): Socialists clashed with police outside a church where the daughter of a rival politician was getting married, leaving 29 injured, officials said yesterday.

The clash occurred Friday night in the village of Zejtun, a Socialist Party stronghold seven miles (11 kms) south of Valletta. The wedding ceremony was attended by Prime Minister Edward Fenech Adami and Deputy Prime Minister Guido de Marco, both of the Nationalist Party. They were not hurt.

## Blasts at explosives plant

ROXBURY, New Jersey, June 4. (UPI): At least three massive explosions ripped through an explosives plant early yesterday, injuring more than a dozen people, blowing out windows in a wide area and rousing residents from their beds.

Officials said there were no reports of fatalities from the blasts at the Hercules Aerospace Ordnance System plant in Morris County, which produces explosives for the government.

## Police detain 21 people

MUNICH, West Germany, June 4. (AP): Police detained 21 people as leftist demonstrators hurled eggs, tomatoes, stink bombs and paint at about 1,000 supporters of a far-right party attending a rally yesterday.

Police said the incident occurred during a rally of the German People's Union (DPU), an extreme rightist party whose views are often compared to those of neo-Nazi groups.

## Pakistan opposition selects leader

ISLAMABAD, June 4. (AP): Benazir Bhutto's political opposition in Pakistan's National Assembly selected a leader today.

Ghulam Mustafa Jatoi, National People's Party leader, will head the official opposition, which comprises eight parties and a right-wing alliance.

As opposition leader Jatoi will represent 94 members in the National Assembly, compared to Benazir's 113.

## Split in coalition averted

GENEVA, June 4. (AP): A split in Switzerland's 30-year-old coalition government was averted yesterday when a Socialist Party congress stopped short of backing a call for total unilateral disarmament.

After heated debate at the congress in Bern, delegates decided by a 583-370 vote that the party should not make any recommendation on which way people should vote in a Nov 26 national referendum on a proposal to disband Switzerland's 625,000-man militia Army.

Socialist Party President Helmut Hubacher hailed the result as "a decision against bourgeois militarism and in favour of this party."

## Sri Lanka sends envoy to India to request pullout

NEW DELHI, June 4. (AP): A top Sri Lankan official arrived in New Delhi on Saturday for talks which are expected to include a request to withdraw Indian soldiers from the island nation, news reports said.

State-run television said Sri Lankan Foreign Secretary Bernard Tillekaratne arrived for discussions on the 40,000 Indian peacekeeping troops posted in Sri Lanka.

Tillekaratne's visit comes two days after Sri Lan-

kan President Ranasinghe Premadasa announced that he would like the Indian soldiers withdrawn by the end of July.

In Colombo, a Foreign Ministry official said Tillekaratne was carrying an official request to pull out the troops, the official spoke on condition of anonymity.

Indian soldiers were posted in Sri Lanka's north and east in 1987 under a peace accord aimed at

ending a war by Tamil militants for an independent nation.

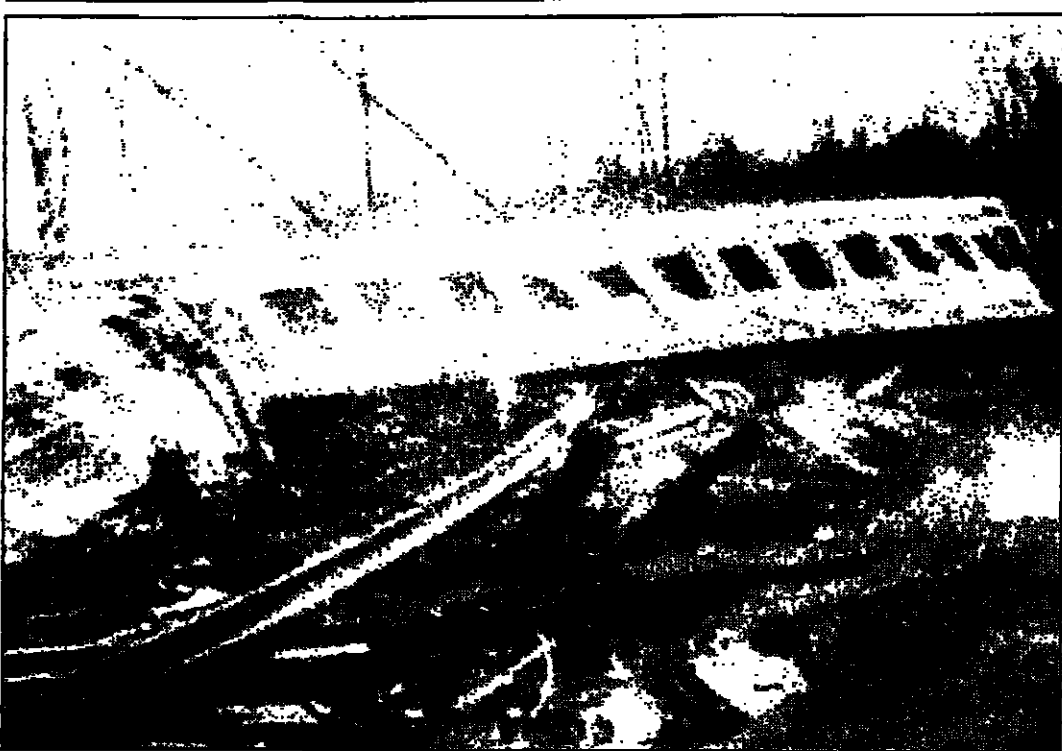
On Thursday, Premadasa said at a Buddhist gathering he would like to see the troops withdrawn by July 30 and that he would take up the matter with Prime Minister Rajiv Gandhi.

In response, India said it was puzzled by the proposal. Foreign Ministry spokesman Aftab Seth said the withdrawal depended on the devolution of

powers to the Tamil minority as stipulated in the 1987 accord.

India became involved in Sri Lanka's internal conflicts because of the sympathies of its own 60 million Tamils for the rebel cause.

Tamils form 18 per cent of Sri Lanka's 16 million people. The rebels claim they are discriminated against by the mostly Buddhist Sinhalese, who make up 75 per cent of the population.



Wrecked carriage

A wrecked carriage of a train lies among broken trees in a devastated landscape after a huge gas leak engulfed two passenger trains on Saturday night, killing more than 800 people near Ulu in the Urals. (Reuters wirephoto)

## Britain blamed for deaths

## UK-Soviet row escalates

MOSCOW, June 4. (Agencies): The Soviet government newspaper Izvestia said today that high-frequency radio waves used to power British eavesdropping devices may have killed two Soviet citizens who lived in London.

The article, adding to allegations made by Soviet embassy officials in London, said a five-year-old boy and a young man who worked at Novosti News Agency's London Bureau died suddenly last year.

Yesterday, Soviet embassy officials in London called a news conference to accuse Britain of bugging Soviet offices and apartments and activating them with high-powered radio transmissions damaging to health.

A Soviet diplomat said "individual devices and whole systems have been extracted by Soviet construction workers during maintenance and repair work."

But the embassy officials did not mention any deaths. They said a Soviet girl, Natasha Marus, fell ill with leukaemia and left Britain in grave condition. Her case was also mentioned by Izvestia today.

The Soviet allegations were the latest blow in a diplomatic row between London and Moscow which began when Britain expelled 11 Soviet citizens two weeks ago and the Kremlin responded with the expulsion of 11 Britons.

Izvestia said enormous doses of high-frequency radio waves

were used to power British bugging devices in Soviet offices and flats in the British capital.

"But neither the authors of the technical novelty nor those who have authorised the planting of espionage gadgets, alas, gave any thought to people's health."

"These enormous doses of radiation might explain the chain of tragic events in the Soviet colony," it said.

Izvestia said five-year-old Yuri Sobol "was suddenly felled by an inexplicable illness" and died last year.

And Boris Labret, a healthy former athlete and trainee at Novosti, died suddenly in his sleep in July.

"Was her majesty's government aware of all this or are local special services really outside the state's control?" Izvestia asked.

Meanwhile, pressure was growing on the British government today for an official statement following the Soviet claims.

British Foreign Secretary Sir Geoffrey Howe is expected to face calls to make a statement to MPs in the House of Commons this week over the developing UK-Soviet row, which has seen expulsions by both sides.

The British Foreign Office had denied any UK involvement in the placing of the devices, saying they were "widely available."

The allegations were described by The Mail on Sunday newspaper as "the latest and most bizarre round in a battle of wills between London and Moscow."

## Big brother will keep watch on KGB

MOSCOW, June 2. (AP): The Soviet Union convened a full-time legislature yesterday following eight days of raucous parliamentary debate that President Mikhail Gorbachev said showed how his reforms have activated the people.

At its first session, the 271-member Soviet of the Union one of two chambers of the Supreme Soviet legislature, chose economist Yevgeny Primakov as its chairman and proposed creating four commissions and 14 committees, one of which will oversee the KGB secret police.

Primakov said the committees were in part modelled after those in the US Congress.

The nationally broadcast meeting brought the Soviet Union into the second phase of its adventure in democracy, the larger Congress of People's Deputies, the parliament, was in recess until tomorrow after boisterous debate produced a catalogue of problems for Gorbachev's perestroika, or restructuring of the Soviet economy and society.

"During the days of the Congress' work, I became sure that perestroika changes people fast," the 58-year-old Soviet leader told legislators in introductory remarks. He said the 2,250 deputies, most elected in competitive balloting for the first time in 70 years, are "wonderful people, different people, dissimilar people very interested in things starting to change in the country for the better."

The new Supreme Soviet, has been given oversight powers and Primakov said it should "exercise real control over executive organs."

"The Soviet of the Union approved commissions on planning, budget and finances, on industrial development, energy equipment and technology, on transport, communications and information science and on labour prices and social policy."

It also decided on committees that would oversee foreign affairs, economic reform, agriculture, health and defence and state security.

Vice-President Anatoly Lukyanov said the committee on defence and state security, which would oversee the KGB, would meet less frequently and have fewer members than others.

Roy Medvedev, a member of the Soviet of the Union who has written extensively about dictator Josef Stalin's secret police and his terrorism, said the committee has the power to summon any KGB official to demand explanations and recommend changing KGB decisions.

## Solidarity ahead in Polish election

## Poles flock to the polls

WARSAW, June 4. (Agencies): A government-run opinion poll forecast a big first-round lead for Solidarity today as Poles flocked to vote in their first partly-free elections in 40 years.

In a preliminary forecast on state television, the poll said the Solidarity-led opposition would win 40 out of 55 seats in the 100-seat Senate (upper house) that were likely to be decided in today's voting.

The voting for the Senate and the 460-seat Sejm (lower house) gave Poland's 27 million voters their first chance to choose between communist and opposition candidates since 1947.

Solidarity leader Lech Walesa and communist authorities warned that an opposition landslide could upset a fragile political accord between the opposition and reformist Communist Party leaders.

"I think that too big a percentage of our people getting through would be disturbing and might force us into a fight," he said.

## Heavy turnout in US

CHICAGO, June 4. (UPI): Turnout was heavy in the city with the largest concentration of Poles outside Poland as Polish nationals cast absentee ballots yesterday in the first quasi-democratic election in their homeland in 44 years, officials said.

The elections, which begin today in Poland, are the first in which Solidarity and independent candidates are running against communists for seats in parliament.

At stake is the 100-seat Senate, the higher chamber of parliament, and the 460-member lower chamber, or Sejm, where the Solidarity-led political opposition was allowed to compete for only 161 seats.

In Chicago, absentee voters were allowed to cast ballots for the downtown Warsaw district, where they could vote for 37 members of the Sejm and three members of the Senate.

"Many people came and it's really very crowded," said a spokeswoman for the Polish consulate in Chicago, which opened the polls for 16 hours yesterday to allow the absentee balloting to take place.

In New York, where an estimated 35,000 Poles live, turnout was better than expected with some 3,500 people already having cast their ballots at the Polish consulate on Madison Avenue by mid-afternoon, said spokesman Tadeusz Wiazek.

"It's running smoothly. I estimate there will be about 6,000 by the end of the day," Wiazek said, adding that the two polling places set up at the consulate would remain open until 10 pm EDT.



Walesa casting ballots. (Reuters wirephoto)

## Blast kills 800 Russians

(Continued from Page 1)

Soviet leader Mikhail Gorbachev went to the scene 1,200 km (750 miles) east of Moscow today morning along with Prime Minister Nikolai Ryzhkov and several other officials.

Monday was declared a national day of mourning across the Soviet Union, Tass news agency said.

Tass said the two trains were passing in opposite directions between the cities of Ufa and Asha when the explosion occurred at 11:14 pm Moscow time (19:14 GMT) on Saturday.

The trains burst into flames. Tass did not give a death toll, saying only that 1,200 people were aboard the two trains and fewer than 400 had been accounted for by today afternoon.

One of the trains had been carrying children to a holiday camp on the Black Sea, Soviet television reported.

Cherepanov said 90 children had been taken to hospital in Ufa

and Asha.

He said the two trains had been in a ravine when the accident occurred, and the accumulated condensed gas had left little air for survivors.

The explosion derailed on train, sending it crashing into the second one, which then caught fire, Cherepanov told Reuters.

He said one carriage was burnt out in only 10 minutes.

The damaged railway cars were spread over an area of one kilometre (about half a mile), Cherepanov said.

The accident occurred 70 km (42 miles) east of Ufa, he said.

The pipeline that exploded originated in the Tyumen region of Siberia, he said, but he denied that it was the major Siberian gas pipeline supplying Western Europe.

Tass said blood donors flooded the local blood transfusion station in Chelyabinsk after hearing news of the accident on the radio.

Both sides urged voters not to cross communists off the ballot papers unthinkingly.

Walesa voted for his favourite communists as well as Solidarity.

Emerging from a Gdansk voting booth, Walesa said the elections, the first contested by the opposition in 42 years, made real change possible in Poland.

But he cautioned that die-hard opponents of reform might still try to sabotage the country's progress towards democracy.

The Nobel peace laureate, speaking in this northern city where Solidarity was formed in 1980, also appealed for calm after about 70 youths at an anti-election rally charged that he had sold out to the communist authorities.

He said he would be satisfied if Solidarity won 70 seats in free elections to the 100-seat Senate (upper house) and a quarter of the 460 seats in the Sejm (lower house) where the opposition can win a maximum of 35 per cent of seats.

"I voted for my people and as I promised I voted for the national list (of 35 top communists and their allies who are standing unopposed)," Walesa said after he, his wife Danuta and their eldest son, 19-year-old Bogdan, voted in the Oliwa district of Gdansk.

The Senate race is the only straight fight between the government and opposition. The opposition is running for 35 per cent of the Sejm seats but not in competition with government parties, which have been allotted the other 65 per cent.

Candidates must win more than 50 per cent of the votes to be elected. A second round of voting will be held on June 18 between leading candidates for seats in which there is no outright winner today.

Communist leader General Wojciech Jaruzelski, architect of radical political reforms that include the liberalised electoral contest, called the vote "a huge step towards democracy" after casting his ballot in a Warsaw museum.

Jaruzelski repeated a call for a grand coalition of government and opposition forces to rule Poland after the election.

Officials said 30 per cent of the 27 million voters had cast their ballots by noon, a big turnout compared with previous non-democratic elections.

They forecast that the final vote would be very high.

Walesa emerged from a polling station in the northern city of Gdansk saying he voted for communist candidates as well as for the opposition which has mounted a vigorous, Western-style campaign under the Solidarity banner.

## Thatcher bid to free Mandela

LONDON, June 4. (UPI): Prime Minister Margaret Thatcher is on the verge of concluding a secret deal for the unconditional release of Nelson Mandela, the Sunday Express reported.

The newspaper said that the deal, which comes after months of intense behind the scenes pressure from Britain, will free the jailed leader of the outlawed African National Congress in September.

The South African government, which has refused to release Mandela until he formally renounces violence, is desperate to regain international respectability and has agreed to drop its pre-condition, the Sunday Express said.

However, Mandela has apparently given his assurance that he will do all he can to prevent an explosion of violence.

Imprisoned since 1962, Mandela is the symbol of black revolution against white rule in South Africa.

## EXPRESS CURRENCY TRANSFERS TO INDIA



**Rs**

Wherever you are in INDIA... BKME is not far from you. More than 200 BKME correspondents all over India make cashing your draft easy and fast.

We also offer good foreign exchange rates on our Express Currency Transfer service - whether it is a draft or a telex transfer.

Express Currency Transfer Service  
Now available at any BKME Branch



**BKME**

THE BANK OF KUWAIT & THE MIDDLE EAST K.S.C.

The Only Bank You Need

## Bani-Sadr ready to return

(Continued from Page 1)

bours in the Gulf region. We reject interference in the internal affairs of the Gulf states," Bakhtiar told the Arab Times in an exclusive telephone interview.

Bakhtiar who leads the Paris-based Iranian National Resistance Movement, said he was in touch with all groups that support either the return of monarchy or a secular republic in Iran.

It will be up to the Iranian people to decide the form of rule they would like to have, he said.

"I have spoken to the son of the former Shah and he is ready to accept the will of the people," Bakhtiar said.

Calling for the separation of religion from the state he said: "I am prepared to consider all options except the rule of the mullahs."

Ayatollah Khomeini's legacy to Iran and the Middle East is war, devastation and death, he said.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

Asked if he planned to return to Iran he said he would have to consider the situation carefully before making a move.

In his view the likely successor to Ayatollah Khomeini are Parliament Speaker Hashemi Rafsanjani, Khomeini's son Ahmad and Ayatollah Montazeri, who, Bakhtiar, said, is re-emerging as a force on the Iranian political scene.

Bakhtiar and his movement reject all three because they are clerics.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.

Political analysts and diplomats in the capital, Addis Ababa, said the meeting probably offered the last chance to seek a peaceful settlement to the 28-year rebellion in Eritrea province.

AP adds: Bakhtiar said Khomeini's death turns "a black page of our history."

Bakhtiar who lives in exile in France was the last prime minister before the 1979 revolution.

He said the Revolutionary Guards, which group extremists, religious people and those who joined for material gain, will pose the problem for the incoming government.





### More boat people arrive

A SMALL boat packed with Vietnamese refugees arrives in Hong Kong. A recent flood of boat people has overwhelmed refugee camps in the territory forcing the government to detain arrivals on the barren Soko Islands, outside Hong Kong without shelter or facilities.

Thousands of the boat people were on hunger strike yesterday to protest a government policy that treats them as illegal immigrants.

In the third day of the strike, the number of boat people still fasting dropped to 3,900 after about 800 ate lunch and another 600 quit the strike to eat dinner, a government official said.

Some 1,400 Vietnamese remained aboard boats anchored at Tai A Chau, an outlying island inhabited by an elderly couple, after seven boats carrying 308 arrived yesterday.

A visitor to Tai A Chau yesterday said the island resembled a typhoon shelter. The Vietnamese remain aboard their crowded boats and are allowed to go ashore only to use toilet facilities.

The government stopped moving arrivals ashore due to the hunger strike.

Some 2,000 boat people began refusing food on Thursday. They hung banners in Vietnamese and English saying they would rather die than return to Vietnam. Another 3,300 people in the detention centre joined them in their fast on Friday.

Hong Kong recently has been inundated with arrivals of boat people, despite a screening policy adopted last June 16 that treats all arrivals of Vietnamese as illegal immigrants subject to repatriation unless they can prove they fled political persecution.

Since the new policy was implemented, more than 20,000 boat people have arrived in Hong Kong and only 1,600 have been screened.

### NEWS IN BRIEF

#### 6 killed in blast

LIMA, June 4, (UPI): A powerful bomb exploded yesterday beneath a bus full of presidential guards just 10 blocks from the government palace, killing six and seriously wounding 30.

The explosion occurred just minutes before 1 pm when the bus full of 42 soldiers was on its way to the Presidential Palace for the changing of the guard.

President Alan Garcia, who was in the presidential palace at the time, condemned the attack as "savage, bloody, a cowardly act," and called on citizens to close ranks with the armed forces in the fight against subversion.

#### Concert cancelled

BELFAST, Northern Ireland, June 4, (AP): The British female pop trio Bananarama cancelled a concert in Belfast's King's Hall yesterday night after a bomb scare that turned out to be a hoax, police said.

Two men riding a bus past the hall ordered the driver to stop and then fled, leaving behind a suspect package, said a police spokesman, who declined to be identified.

Police evacuated the concert hall and several nearby houses shortly before the start of the concert, and called in a British Army specialist unit to investigate the package, which turned out to be harmless, the spokesman said.

#### Nuke plant leaks

TOKYO, June 4, (AP): A nuclear reactor at a power plant in northeastern Japan had a leakage of cooling water in its heat exchanger system yesterday, an official said.

Monji Sakai of the Fukushima Second Nuclear Plant said there were no injuries reported.

Sakai said the leakage of about 180 litres (46.8 gallons) of water at the No. 2 reactor of the plant was discovered at around 10 am (0100 GMT), and workers stopped the reactor's power generator.

The reactor was to be closed down by 6 am today (2100 GMT) for a thorough inspection and corrective measures, he said.

#### Offer rejected

SAN SALVADOR, June 4, (UPI): Salvadoran guerrillas yesterday rejected peace talks proposed by newly inaugurated president Alfredo Christiani, calling the proposal an "offer of surrender."

"Christiani carried out the formality of speaking about dialogue, but did not even mention the need for a negotiated political solution," said a statement by five commanders of the Farabundo Martí National Liberation Front, known by the Spanish acronym FMLN.

In the statement sent to the news media, the FMLN rebels said Christiani's proposal "has no substance and is an offer of surrender."

#### Rebels kill one

PARAMARIBO, Suriname, June 4, (AP): Rebels who occupied a hydroelectric power station this week and threatened to blow it up, abruptly abandoned the plant and killed a soldier yesterday during their retreat through Suriname's jungle.

Government spokesman Glenn Trudean said it is not known why guerrillas decided to leave the Afobaka Hydroelectric Power Dam, 124 miles (200 kilometres) south of the capital Paramaribo. The rebels left before soldiers dispatched to the area arrived.

## Looking to get rich Gold miners brave death

MOUNT DIWATA, Philippines, June 4, (Reuters): While fellow miners trapped in fallen tunnels moan for help nearby, half-naked men continue their search for ore on this gold-rich Philippine mountain, scornful of the danger of cave-ins.

Ignoring a sign declaring the area a "danger zone," miners troop back and forth from the disaster site to unload sacks of ore at a gold-buying station.

Less than a week after a landslide and cave-ins trapped possibly hundreds of miners in a network of tunnels, the hunt for gold has resumed on Mount Diwata on Mindanao island, 900 km (600 miles) southeast of Manila.

"As you can see people don't really care what happened. 'Everything is back to normal,' a resident said.

Braving death from cave-ins is a way of life for many of 100,000 gold miners who have built shacks on the slopes of the 365-metre (1,200-foot) mountain in hopes of striking it rich.

Mining sources say hundreds have died in past cave-ins but tunnel operators do not report the deaths, fearing a government crackdown on their operations.

The military put the toll from the latest disaster at 13 and dismissed as exaggerated newspaper reports of possibly hundreds dead.

Survivors, many reluctant to be interviewed, say hundreds of their companions could still be trapped in the tunnels. Rescuers have reported hearing moaning underneath heaps of rock and timber.

Government agencies gave conflicting reports on the extent of casualties. Civil Defence officials say only 137 of 300-400 miners believed inside the tunnels have been rescued. A Red Cross report says as many as 1,000 might have been trapped.

"I have heard of other accidents but I think this is the worst," said Larry Abasolo, who was able to scramble out as the tunnel where he was working with 100 others collapsed.

"But that's the way it is. We're trying to make a living."

While rescue operations continue, other miners in a cluster of shanties below the disaster site gamble in frenzy and shoot pool in tiny makeshift billiard halls.

Some women paint their nails in beauty parlours. Nearby, children play video games.

The gold rush site is accessible only by foot or motorcycle up steep, slippery mountain paths. Officials, who rarely visit the area, go by helicopter.

A doctor whose clinic was wiped out by the landslide, said he gave up his city lifestyle for the mountains where he could earn three times more than his 20,000-peso (\$1,000-dollar) monthly income in the lowlands.

"I never run out of food, fish or chicken," he said.

"When people have no money to pay for my service, they give me gold."

Mining sources say miners extract an average of 136 tonnes of gold ore per day from Mount Diwata and two nearby gold rush sites. Each gram of ore fetches 250 pesos (\$12).

## Eye plucked out

No jail for exorcist

BATON ROUGE, Louisiana, June 4, (AP): A woman who plucked out a teen-ager's eye during an exorcism won't have to go to jail after all, says the judge who sentenced her last year to a six-month term.

District Judge Mike McDonald ordered Andrea Cowan, who was convicted in June 1988 of cruelty to a juvenile, to buy an \$850 artificial eye for the boy.

Mrs Cowan was pregnant when McDonald sentenced her in October 1988, and he said she would not have to go to jail until after she gave birth.

In the meantime, McDonald said Friday, the prosecutor urged him not to send Andrea to jail. She has expressed remorse and her probation officer describes her as an ideal candidate for probation, the judge said.

He is among 27,000 survivors of a disease which killed hundreds.

"My wife was the worst affected ... it began with loss of hair, terrible itching, fever, nausea and loss of appetite," he told Reuters. "Now it has produced physical malformations, loss of memory, sight loss, involuntary limb movement ... I had a lot of pain at the beginning. I still do."

In cramped offices in the dormitory town of Leganes on the outskirts of Madrid, where 2,000 mainly working-class families consumed the oil, Fernandez heads the Toxic Oil Syndrome Victims' Association.

For years the association campaigned against the dawdling pace of the Spanish legal system, demanding that those charged with the poisoning be brought to trial.

Last year, more than six years after the event, they finally were. Dubbed Spain's "trial of the century," it lasted 15 months.

The verdict, delivered this month, took some eight hours to read out and ended in the acquittal of most of the 37 accused. The court found 13 people guilty and handed down sentences for harming

## Global telecast on environment airs United by 'Our Common Future'

NEW YORK, June 4, (AP): Combining pep rally spirit and a serious message, a global telecast aimed at more than 1 billion people brought celebrities and world leaders together yesterday to push for a new age of environmental consciousness.

Called "Our Common Future," the five-hour telecast originated from New York and picked up satellite feeds from London, Moscow, Paris, Australia, Brazil, Tokyo, Poland and elsewhere.

Organisers said the spectacle — beamed to more than 100 countries, making it potentially available to 90 per cent of the world's television sets — was not a fund-raiser but a consciousness-raiser, designed to take advantage of growing concern over ozone depletion, global warming, tropical rain forest destruction and other environmental issues.

Norwegian Prime Minister Gro Harlem Brundtland hosted the collage of music and messages calling for the world to adopt "sustainable development" to reach a happy medium between improving living standards and protecting sources and the environment

for the future.

The programme featured diverse acts designed to appeal to a wide audience, from 8-year-old virtuoso violinist Sarah Chang to rock stars Elton John, Kenny Loggins and Stevie Wonder to the Moscow Symphony Orchestra.

Among the other musicians and groups to perform included Sting, Diana Ross, Herbie Hancock, the Gipsy Kings, Melissa Manchester, Tom Jones, R.E.M., John Denver, Manu Dibango and Phoebe Snow. Film personalities Anjelica Huston, Christopher Reeve and Sigourney Weaver also appeared.

In taped messages, US President George Bush and other world leaders called for a co-ordinated international approach to environmental problems.

"We have the talents and resources to advanced civilisation," Bush's message said. "Our scientists are probing the mysteries of the universe. Surely we can apply that same creativity, the same industry and perseverance, to protect the environment of the one earth we all share. We just need the will to

do it."

In a last-minute arrangement, the show included a live broadcast from Soviet President Mikhail Gorbachev's address yesterday to one of the chambers of the reconstituted Supreme Soviet legislature. Gorbachev spoke of improving efficiency in the use of money and resources "for ecological purity."

Chinese Premier Li Peng also made a taped statement, calling for a collective international effort to solve global warming and other problems. The statement was made before today's clashes in Tiananmen Square, in which Chinese troops ousted pro-democracy demonstrators who had been occupying it, killing or injuring hundreds.

Four members of Earth First, a radical environmental group have been arrested.

One of the group's founders, David Foreman of Tucson, Arizona, was arranged Friday before a federal magistrate and charged with conspiracy to sabotage nuclear facilities in Arizona, California and Colorado. He was freed on \$50,000 bond.

## Conference to focus on dilemma of AIDS

MONTREAL, June 4, (Agencies): Faced with the grim reality science is unlikely to vanquish the AIDS epidemic anytime soon, the 5th International AIDS Conference will focus greater attention on the social dilemma posed by the deadly disease.

About 10,000 delegates from around the globe gather today for the six-day conference on AIDS — a disease that has stricken at least 450,000 people worldwide since first detected in 1981.

Entitled "The Scientific and Social Challenge," the Montreal gathering is an attempt to integrate social, psychological and public health aspects of AIDS into the programme "without in any way diluting the biomedical component," organisers say.

About one-third of the 5,559 scientific presentations and posters deal with research into the "human dimensions" of AIDS. Some of those studies look at whether positive AIDS tests spur people to change high-risk behaviour, if doctors talk to their patients about AIDS and whether public education efforts are helping reduce spread of the deadly disease.

Health officials from around the world will disclose new evidence of the relentless spread of AIDS with little to offer in the way of a major breakthrough in prevention or cure.

But one researcher says garlic, an aromatic herb lauded by ancients for its medicinal value and portrayed in folklore as a way to ward off vampires, may play a key role in the battle against AIDS.

"We feel this is a tip of good iceberg. We think five years from now, three years from now, it will be confirmed," said Dr Tariq H. Abdullah, director of the Akbar Clinic of Panama City during a recent visit to Pensacola.

Improved

Abdullah, whose study showed seven AIDS patients in Jacksonville and New Orleans improved after taking garlic extract, will present his findings at the AIDS Conference.

"You can't take seven of anything and say it's certain that this is what's going on," said Abdullah, who will present his findings Thursday. But results are "suggestive that garlic can play a very helpful role in the treatment of AIDS patients, and more studies are justified."

The conference will hear about basic scientific detective work which has helped develop understanding of the fatal disease. Scientists will add new detail, gleaned from laboratories across the globe, to what is already known about the workings of the Acquired Immune Deficiency Syndrome virus.

There is no known cure for the disease, which is spread mainly through sexual contact and contaminated blood. It kills by destroying the body's natural defence system.

Jonathan Mann, director of the World Health Organisation (WHO) global programme on AIDS, is expected to tell the conference the number of confirmed cases in the world could total five to six million by the end of the century.

The number worldwide is currently estimated at less than half a million.

Increases

Health officials from the United States, the country with the largest number of AIDS sufferers, will report that the number of cases among homosexuals has increased at a slower rate but those concerning intravenous drug abusers, the sexual partners and their children have increased sharply.

Through April, a total of nearly 93,000 AIDS cases had been reported in the United States, the US government has reported.

Of these, 88 per cent have been linked either to male homosexual or bisexual contact or intravenous drug use, and only 7 per cent to heterosexual contact.

In Africa, by contrast, AIDS is spreading principally via heterosexual contact. Africa currently has the highest rate of AIDS infection in the world. Zambia President Kenneth Kaunda is expected to discuss the situation there in an opening session.

The conference will hear of many promising developments in the search for new therapies for AIDS and related infections.

More than 40 different AIDS-related drugs are currently undergoing testing in humans. But the US Food and Drug Administration, which approves new medical treatments, said recently it had no new applications pending for drugs against AIDS itself.

At least six vaccines are being tested around the world but there is little evidence that a successful one is on the horizon, experts said.

## Japanese minister promises continuity

TOKYO, June 4, (AP): Foreign Minister Hiroshi Mitsuoka said yesterday Japan will use its wealth to contribute to world economic growth, but not to become a major military power.

"The flow of history implies that economic might equals military might, but Japan will, as it is now, steadfastly remain a minor power militarily while a major power economically," Mitsuoka told reporters.

Mitsuoka, 61, was named foreign minister by his predecessor in the post, Prime Minister Sotsuke Uno, who assumed office Friday. He was minister of trade in the cabinet of Noboru Takeshita, who resigned to take responsibility for a major scandal.

Both Uno and Mitsuoka have pledged continuity in Japan's foreign policy.

"Diplomacy has a crucial mission to fulfill in the attainment of peace and prosperity for our country. Continuity is fundamental in diplomatic affairs," Mitsuoka said.

"As foreign minister, I expect to see Japan continue to promote its own national security and the healthy development of the global economy," he added.

Mitsuoka called for calm handling of relations with the United States, which have entered a rocky period due to mounting economic friction symbolised by Washington's naming of Tokyo as an unfair trader under the super 301 provisions of the 1988 US Trade Act.

He said he hoped trade tensions could be resolved through co-operation and "calm discussions."

The foreign minister said he hoped to visit the United States soon, perhaps before the end of June, to meet with Secretary of State James Baker.

US-Japan relations are the core of Japan's foreign policy, he said, "it is crucial that we improve our relations."

Japan's new prime minister has criticised US measures aimed at Japan's huge trade surplus, but at a separate news conference yesterday, Uno said his foreign policy involved "closer co-operation with Japan's economic and trade partners to uplift the free trade system."

Uno said he would bring to the upcoming Paris summit of seven industrialised nations a three-point proposal to promote world economic growth, peace and international co-operation.

"In Paris, I'll promise that Japan will maintain sustained, inflation-free economic growth, based on domestic need, in order to buy more foreign goods and thus correct trade imbalances," he said.

Uno said Japan plans to share a larger financial burden to support peace initiatives in Asia, the Middle East, Africa and elsewhere.

Some of Mitsuoka's remarks clearly were intended to reassure neighbouring Asian countries, which remain acutely sensitive over the possibility of a defence buildup in this country due to their experience of Japan's regional military expansion before and during World War II.

## PEOPLE AND PLACES

HANOVER, West Germany: The charred body has been found of a West German involved in a club of computer hackers suspected of spying for the Soviet KGB, police said yesterday.

Hanover police spokesman said the body of Karl Koch, 24, was found on Thursday night in woods near Hanover and that he apparently poured petrol over his body and set himself alight.

Security sources said Koch, who was reported missing on May 23, last year, provided information to police investigating his hacker club for suspected espionage on behalf of the Soviet intelligence service. (Reuters)

NEW YORK: An 18th-century mahogany desk and book case sold for over \$12 million at Christie's auction house yesterday setting a new world record as the highest price ever paid for a single piece of furniture.

Harold Sak, president of Israel Sak Inc., a leading New York dealer of American furniture, paid \$12.1 million for the piece and said he considered it a bargain.

"I feel like I just won the triple crown," the 78-year-old Sak of Boston, Massachusetts, told Reuters after completing his record-breaking purchase. (Reuters)

OXFORD, England: Oxford graduates in their black academic robes gathered around the university's ancient spires yesterday and elected Irish poet Seamus Heaney to the prestigious post of professor of poetry.

Heaney, an award-winning poet and favourite of the university's arts establishment, was born in northern Ireland and lives in Dublin and the United States, where he is a professor at Harvard University. He is 50. (AP)

WINTER HAVEN, Florida: As the winner of a cable television "I Hate my Miserable Life" contest, Deanne Whitten could have chosen to live rent-free anywhere in the United States for a year. She decided 47 miles (75 km) was as far as she wanted to go.

The 22-year-old bank teller picked nearby Orlando because it's "the city I want to live in."

She also said she loves Disney World, and hopes to work there.

"I originally told them Ingewood, California, (but) the only reason I want to go out there was to see the Lakers," Los Angeles professional basketball team, Whitten said.

"I decided I didn't want to stay there a year."

Besides the relocation and free rent, Whitten also won a Volkswagen Cabriolet, \$10,000 cash and airfare to any where in the country, MTV spokesman Greg Dreble said. (UPI)

PITTSBURGH: Cebe Eremita of Pittsburgh says he's happy to finally get his diploma from Duquesne University. After all, it has been only 51 years since he completed his master's work at the Catholic University in Pittsburgh.

The 77-year-old railroad worker just recently got his business administration bachelor's diploma, which he could not pick up in 1938 because he didn't have enough money — \$180 — to finish paying off his tuition.

Eremita never paid off his outstanding debt but Duquesne eventually forgave it and his relatives picked up the diploma for him, school officials said Friday. (UPI)

WASHINGTON: A majority of people in the United States — 54 per cent — believe the current attention on the ethics of public officials is paralyzing the Federal government, a Newsweek poll released yesterday showed.

The poll of 759 adults, taken Thursday and Friday, capped a week in which House Speaker Jim Wright, Democrat of Texas, and Majority Whip Tony Coelho, Democrat of California, were forced to resign their posts in light of ethics allegations. (UPI)

BOGOTA, Colombia: Documents found on two suspects show that the powerful Medellin cocaine cartel has access to secret US reports and informants in high-level Colombian government and military circles, a Bogota newspaper said yesterday.

The daily El Tiempo said it had seen documents seized during the May 25 arrests of a former national police captain, Luis Wazmaza, and another man, Jose Rivera.

According to Gen. Miguel Marzquez, chief of the national security police, which made the arrests, the two suspects have been linked to narcotics traffickers and to right-wing paramilitary death squads.

Marzquez made the disclosure after a car-bomb assassination attempt against him Tuesday. He escaped with only bruises, but six people were killed and more than 30 wounded. (AP)

LOCKERBIE, Scotland: A US teenager and Pan American Airways threw a party yesterday for about 5,000 residents of the Scottish village devastated by the jumbo jet bombing that killed 270 people just before Christmas.

At the same time, US relatives of victims of the Dec 21 terrorist bombing demonstrated outside Pan Am offices in New York and at airports in Pittsburgh, Cleveland and Detroit to protest what they called the airline's insensitivity in holding the party.

About 5,000 people attended the party at King Edward Park, a half-mile from the Lockerbie neighbourhoods where 11 residents were killed and 20 homes were destroyed by flaming wreckage from a Boeing 747 that exploded on a flight from London to New York. The bombing killed 259 people on Pan Am Flight 103 in addition to the Lockerbie residents. (UPI)

MARQUETTE, Michigan: Dan Eisman has found an unusual way to harness the wind for sailing — a kite.

Eisman, 55, plans to sail Lake Superior in a canoe using a kite overhead to power him across. It is the only one of the Great Lakes he has not navigated with a kite.

"No turning back, no second thoughts," he said. During a recent practice run, the red, yellow and blue kite soared high above the 15-foot canoe. "If the wind blows that way, you go that way. Just follow the wind," said Eisman, who writes technical manuals for computers with his wife. (AP)

LOS ANGELES: A private judge has been hired to consider a settlement offer in the palimony lawsuit filed by actress Sandra Locke against movie tough guy Clint Eastwood, a newspaper reports.

The Los Angeles Times said Wednesday attorneys for the stars were to go before the judge Wednesday.

Miss Locke, who was Eastwood's companion for 13 years while legally married to another man, offered a settlement that included a Bel-Air home the couple shared, a Hollywood Hills house Eastwood was said to have bought for Locke and her husband, sculptor Gordon Andersson, monthly payments of as much as \$15,000 for the next seven years and a \$250,000 one-time payment.

Eastwood rejected the offer, but it will likely be discussed in a hearing, the newspaper reported. (AP)

OSLO, Norway: Andrei Sakharov and his wife Yelena Bonner have accepted an invitation to visit Norway last month, the Royal Norwegian Council for Scientific and Industrial Research, says.

Sakharov was awarded the Nobel Peace Prize in 1975 while still branded a dissident. His wife was permitted to accept the prize on his behalf in Oslo.

Both the council and the Norwegian Nobel committee have frequently invited the couple to visit Norway after Sakharov was allowed to leave the closed city of Gorky, where he spent several years in internal exile. (AP)

BOSTON: The United States "badly broken" health care system is in need of profound reform to adequately serve all the people, surgeon-general C. Everett Koop said yesterday.

There is something terribly wrong with a system that spends more and more money to serve fewer and fewer people," Koop told graduates at the University of Massachusetts-Boston commencement.

"We need more than a little change here and a little change there. We need to bring about a profound change in the way we make medical and health care available to all of our citizens." (UPI)



Hall: drug user

## Hall admits using coke

WASHINGTON, June 4, (AP): Oliver North's former secretary has told federal drug investigators that she was a "weekend" cocaine user during 1985-1987 while she had access to sensitive government documents, according to a published report.

The Washington Post reported in today's editions that Fawn Hall, a secretary for the former White House aide who has been convicted in the US, Iran-Contra affair, told a Drug Enforcement Administration agent of her cocaine use during the agency's investigation of drug use and sales at nightclubs in Georgetown, an exclusive area of the city.

Hall, who testified at congressional hearings about her role in disposing of documents in the affair that shook the US government, told the agent she was a "weekend" cocaine user during the three-year period and provided investigators with names of some alleged drug dealers, the Post quoted unnamed sources as saying.

North, a former Marine lieutenant colonel, revealed Hall's drug use to DEA agents during an interview in the Washington office of her attorney, Plato Cacheris, on Aug 7, 1987, just two months after her Iran-Contra testimony, the sources told the newspaper.

Hall is not a target of the DEA probe but said she is a potential grand jury witness in the ongoing investigation, the Post reported.

public health, fraud and negligence. Although it ruled some oil merchants had known a dye added to the oil could be poisonous, it found none guilty of homicide.

Only two of the 13 convicted went to jail, as the rest had already served enough time behind bars before the trial to be freed.

Defence lawyers disputed that the oil had caused the poisoning, blaming tomatoes sprayed with pesticides. The court threw out the argument but some of those found guilty are to appeal.

## Maimed victims' fight continues in Spanish mass poisoning case

MADRID, June 4, (Reuters): For eight years Arcadio Fernandez has fought crippling pain to seek justice for thousands of Spaniards maimed in a mass food-poisoning tragedy in 1981.

The ravages of "Toxic Oil Syndrome" — a mysterious disease unleashed when adulterated rapeseed oil was sold as cooking oil — have affected his wife and daughter and left Fernandez's upper body and hands deformed.

He is among 27,000 survivors of a disease which killed hundreds.

For years the association campaigned against the dawdling pace of the Spanish legal system, demanding that those charged with the poisoning be brought to trial.

Last year, more than six years after the event, they finally were. Dubbed Spain's "trial of the century," it lasted 15 months.

The verdict, delivered this month, took some eight hours to read out and ended in the acquittal of most of the 37 accused. The court found 13 people guilty and handed down sentences for harming



# World mourns the day hope died

By Jim Heintz

**NEW YORK (Agencies):** Government leaders deplored Chinese troops' fatal siege of Tiananmen Square and urged moderation, while a Chinese professor in the United States said it was "the last straw" and announced he would defect.

Chinese students in the United States and Canada were torn between anger and fright as they gathered to listen to reports of the Sunday attack against pro-democracy students, in which hundreds were reported killed.

**Hong Kong**

In Hong Kong, the British colony which is to return to Chinese control in 1997, activists announced plans to hold a sit-in and hunger strike outside the office of China's official Xinhua news agency.

"I think they (China's government) have gone completely mad," said leading legislative councillor Martin Lee on a morning radio programme.

Hong Kong newspapers ran banner headlines and published special editions as news came in overnight that soldiers had killed scores of unarmed civilian and student demonstrators.

The colony's Chinese television channels interrupted programmes at 10-minute intervals to bring the latest reports from journalists whose voices often cracked with emotion.

Even the left-wing newspapers that normally toe the Beijing government line joined in condemning the action.

**Tokyo**

In Tokyo, police fought back hundreds of protesters as they pushed past barricades erected in front of the Chinese embassy in central Tokyo to press their demand for an end to violence in Beijing.

No arrests or injuries were reported in the brief struggle between police and the protesters supporting pro-democracy demonstrators in Beijing.

The demonstration at the Chinese embassy followed a march and rally attended by 12,000 protesters condemning the Chinese military for firing on students in Beijing, according to organisers.

The Japanese government also issued a statement expressing concern over the shooting of civilians in China and advised Japanese citizens to refrain from travelling to Beijing.

"The government strongly hopes the situation will not be aggravated more than it already has been," the Foreign Ministry said in a short statement.

**Taiwan**

In Taipei, thousands of Taiwanese students, many of them weeping, gathered to mourn the killing of their colleagues in China and the government placed the military on increased alert.

At least 10,000 students stood in a city square holding banner reading, "The violence must end" and "We will stand with you forever." Outside the square, Buddhist monks in funeral gowns offered incense at the makeshift shrine.

**United States**

Ming-Hui Yan, a student in New York, told the crowd: "They cannot kill us all. We shall never forget that people gave their life for the movement. We demand democracy, human rights and freedom. China is bleeding."

"The government is a killer," Yan said later. "This is murder." "Chinese always have respect for leaders and older people but not for this," said K. Chu, 31. "Now they are calling to shoot Li and Deng."

In San Francisco, which has a large ethnic Chinese community, about 300 protesters gathered at the Chinese consulate. Other rallies were held in New York, Houston, Los Angeles, New Orleans and Vancouver, Canada.



Demonstrators shout slogans in support of the student protests in Peking during a gathering of about 150,000 people in Hong Kong yesterday. The crowd called for a general strike and a boycott of Chinese banks and goods after troops in Beijing violently crushed a student revolt yesterday. (Reuters wirephoto)

## CBS' harrowing broadcast

### Clash in Tiananmen Square

**NEW YORK, June 4 (UPI):** CBS Radio, in a harrowing live broadcast made possible by cellular telephone, Saturday brought US listeners a violent clash between soldiers and protesters in Beijing's Tiananmen Square and the apparent arrest of two CBS workers.

The hand-held telephone unit used by reporter Richard Roth kept functioning as he and three CBS technicians were beaten and dragged away by Chinese troops, and the live broadcast continued to carry the sounds of gunfire, screams and Chinese voices.

"They're just going after Derek. They're ripping away his camera," Roth said, his voice growing increasingly agitated as the soldiers set upon cameraman Derek Williams and soundman Dexter Leung.

"They're ripping away his camera and they're coming for us. We're trying to move back and move away," Roth continued, his voice now quavering with fear.

For several seconds listeners could hear loud gasps and what sounded like physical struggle as the Chinese soldiers apparently seized Roth, Williams, Leung and another CBS technician.

The radio anchor at CBS headquarters in New York then announced that the telephone had gone dead, but veteran CBS newsmen Robert Schieffer said that was not the case.

"We could still hear noise in the background," said Schieffer, who had been speaking over the cell phone hood with Roth for most of the day. "What we think happened was they dragged him off but they dropped the telephone and the line stayed open."

"We don't think he was shot because we would have heard that."

Now we've gotten by two-way radio from the square the report that they were indeed dragged away," he said.

CBS taped the sounds coming over the open phone line and used the tape as background for subsequent reports. Clearly audible were the sounds of sporadic bursts of gunfire and heavy vehicles, believed to be armoured personnel carriers.

CBS officials said Roth and Williams were taken into the Great Hall of the People, while Leung and the fourth man were able to shake loose and flee. The four men had been in Tiananmen Square, apparently in violation of Beijing martial law restrictions.

The radio broadcast to CBS Radio's more than 300 affiliates was all the more dramatic because of the

glaring absence of television footage from China.

US network television crews had broadcast with unprecedented freedom the first 10 days of the student protest from Beijing's central square. But all live transmissions were cut abruptly on May 26 as hard-liners in the Chinese government began taking the upper hand in their struggle with liberal reformers.

"We've just all been standing here today with our mouths open that we have been able to do this," Schieffer said. "I've been with Robert on this cellular phone as if he were next door. I was talking with him just as we went on the air."

"It was live. You heard what we heard. We're totally helpless here," he added.



An angry demonstrator yells into a microphone during a rally in front of the New China News Agency in Hong Kong yesterday. (Reuters wirephoto)

## Bush deplores force

**KENNEBUNKPORT, Maine (UPI)** President Bush, apparently moved by reports of violence from China, said he "deeply deplored" the Beijing government's decision to use force against student demonstrators.

In a formal statement issued by the White House, Bush urged the Chinese government to return to the use of non-violent means to deal with the student uprising that has rocked Beijing for the past seven weeks.

"It is clear that the Chinese government has chosen to use force against Chinese citizens who are making a peaceful statement in favour of democracy," the statement said. "I deeply deplore the decision to use force against peaceful demonstrators and the consequent loss of life."

"We have been urging and continue to urge nonviolent restraint and dialogue," Bush added. "Tragically another course has been chosen. Again, I urge a return to nonviolent means for dealing with the current situation."

"The United States and the People's Republic of China over the past two decades have built up through great efforts by both sides a constructive relationship, beneficial to both countries," said Bush, who once served as US ambassador to China.

## Taiwan puts armed forces on increased alert

By Andrew Browne

**TAIPEI, June 4 (Reuters):** Taiwan has put its armed forces on increased alert for fear China may take military action to divert attention from internal chaos, the chief government spokesman said.

"We are afraid that (Peking), in a desperate attempt

to suppress the democratic movement, may want to divert their people's attention away from democracy and launch military action against us," Shaw Yu-Ming told a Taipei radio station.

Taipei and Peking are still technically at war, four decades after communist forces drove the nationalist government to Taiwan from the Chinese mainland.

Shaw did not give any details of the military alert. President Lee Teng-hui, warning against what he called China's warmongering tendencies, urged soldiers and civilians to be on guard. The onslaught on the democracy movement had shocked and saddened Taiwan, he said.

"We must be vigilant against the (Chinese) commun-

ist government taking risky actions on the eve of its destruction," he told a news conference during a meeting of the island's ruling nationalist party.

Peking has never ruled out force to reunify China, though it urges a peaceful solution based on the "one country, two systems" formula under which Britain's colony Hong Kong will be handed back in 1997.

China embassy, but police reported no disturbances. A large march to the embassy is planned.

**Canada**

Canada expressed profound regret over the violent clashes in Beijing between democracy-seeking students and Army troops earlier today.

Joe Clark, Canadian foreign minister expressed his government's deep sorrow over the bloody events in Tiananmen Square.

Canadian nationals, of Chinese origin, and Chinese students were heavily outraged and disturbed at the reports from home.

A spokesman for the Chinese community here has asked Ottawa to recall its ambassador

from Beijing, in protest of the brutal tactics exercised by the government against students demonstrators, describing today's events as "a savage massacre."

**Australia**

Australian Prime Minister Bob Hawke attacked the military crackdown on China's student-led democracy movement and cancelled a goodwill visit to Shanghai by an Australian frigate.

"I deeply deplore what has happened in China," Hawke said in a television interview.

The use of violence and force by the authorities which resulted in deaths of... people who have been exercising their rights peacefully cannot be accepted."

"Australia deplores human rights violations of this kind all around the world, we make no exception for China."

**France**

The French government Sunday condemned the Chinese government's use of "brutal force" against pro-democracy activists and called on Beijing to return to a policy of dialogue with its people.

"Foreign Minister Roland Dumas said he was 'dismayed over the bloody repression in Beijing involving a crowd of unarmed demonstrators'."

**United Kingdom**

In London Prime Minister Margaret Thatcher said she was shocked by the Chinese Army's attack on pro-democracy

students in central Beijing and vowed Britain was committed to a secure future for Hong Kong.

"I understand the deep anxiety presently felt by people in Hong Kong and admire their steadfastness in the face of these latest tragic events," Thatcher said in a statement issued by her office.

Thatcher said Britain was "appalled by the indiscriminate shooting of unarmed people" that left hundreds dead in Beijing on Saturday.

**West Germany**

West Germany condemned the crackdown and urged Beijing to return to its reformist course.

"The federal government appeals to the Chinese leadership to seek peaceful and political solutions to the conflict and to

return to its universally welcomed policies of reform and openness," the Bonn Foreign Ministry said in a statement.

**Netherlands**

The Netherlands said it was shocked by the use of military force against a peaceful demonstration and called on its European Economic Community (EEC) partners to issue a joint response to the violence.

**Sweden**

Swedish Foreign Minister Sten Anderson said the bloodshed in Beijing was tragic and senseless.

"We had hoped that economic progress in China would lead to the fulfilment of demands for increased democracy and freedom. But a popular

movement has been met with merciless violence," Anderson said in a statement.

**USSR**

The Soviet news agency Tass said people were killed and injured when Chinese troops crushed protests in Beijing but its reports gave few details of what had happened.

Soviet media, which initially devoted minimal space to the student-led demonstrations in Beijing, began more detailed coverage after Soviet leader Mikhail Gorbachev returned to Moscow last month from a visit to the Chinese capital.

Since then Soviet television has carried frequent reports on the demonstrations in Tiananmen Square.

## CHEAP FARES

London/Paris/  
Frankfurt  
Bucharest/  
Belgrade  
and others...

General Agent:

مركز الأنشطة للسفرات  
AL-ATHLA TRAVEL CENTRE



LE LYCEE FRANCAIS DE KOWEIT (Ecole privée étrangère en constitution) ouvrira ses portes pour l'année scolaire 1989-90 et scolarisera tous les enfants, de la Maternelle à la Terminale (préparation au baccalauréat).

LE LYCEE FRANCAIS DE KOWEIT annonce l'ouverture des inscriptions du 28 mai au 8 juin 1989, de 8h00 à 16h00

1, Rue de Bharein SALMIYA (près du jardin de Salmiya)  
Tel. 5.744.888 - P.O. Box: 9450 - Salmiya 92460

FRAIS DE SCOLARITE: MATERNELLE \$15 KD  
SECONDAIRE 1er Cycle \$55 KD  
PRIMAIRE \$60 KD  
SECONDAIRE 2ème Cycle \$75 KD

Coopérative Salmiya	Jardin de Salmiya
MARJAN COMPLEX	LYCEE FRANCAIS
Below Al Muhanna Street	Below Al Muhanna Street
SULTAN CENTER	SULTAN CENTER

LYCEE FRANCAIS de KOWEIT



AT  
THE ZAHRA COMPLEX  
IN  
SALMIYA  
Natural Hair & Beauty Products  
at  
Great New Prices  
To give you that  
New look + New feeling

Kuwait Maritime & Mercantile Co. K.S.C.

On the occasion of the summer season  
Make your picnic a special occasion!  
Enjoy the nice and unforgettable moments with

## Tony Studio

40 years of experience

Printing pictures  
9x13 cm  
at 70 fils  
within 2 hours service

Get the film within 2 hours service — without any increase in price

Photo Tony Studio & Colour Film Lab.  
Ramada Al Salam Hotel (ex-Markat Shopping Centre) Tel. 4824880  
(from 9:00 am to 9:00 pm daily, 1 today from 4:00 - 9:00 pm)



# Chinese massacre toll may top 1,000

(Continued from Page 1)

large crowds of unarmed citizens harassed troop convoys moving through the city. Soldiers at times fired wildly, peppering buildings around central Tiananmen Square, including the Beijing Hotel, with stray rounds.

Thousands of soldiers cordoned off most of Tiananmen Square, focus of the recent anti-government demonstrations, the biggest since Communist China was founded in 1949.

The unrest prompted Premier Li Peng to declare martial law May 20, but it had not been enforced until last night's brutal crackdown.

Senior leader Deng Xiaoping gave the orders for the bloody military invasion of Beijing from a hospital where he is being treated for prostate cancer, Chinese officials said today.

The officials said Deng's condition was serious. He has long been rumoured to have prostate problems.

The officials, who work in the office of former President Li Xianmin and spoke on condition they not be identified, said Deng gave the orders a day before troops shot their way into and took over student-occupied Tiananmen Square. At least 500 people were reported killed.

## Death toll

The exact death toll will probably never be known. As the scale of the conflict became more apparent, diplomats said it was possible that more than 1,000 people were killed in a night of carnage.

"Even if they're functioning out of ignorance they are still participating and must be suppressed," Deng was quoted as saying.

"In China, even 1 million people can be considered a small sum," Deng reportedly said.

Up to 1 million people streamed into Beijing streets in recent weeks to support the students' democracy movements.

The sources said Deng was angry, saying he had not been properly informed about the student movement.

Tiananmen Square was the scene of a bloody battle overnight yesterday as troops fired into rock and firebomb-throwing crowds and used armoured personnel carriers to roll over a tent city where protesting students had occupied the square since May 13.

In a speech read on government television to night, Beijing Mayor Chen Xitong denounced the "counter-revolutionary rebellion" and proclaimed "an initial victory in stopping the turmoil."

The television earlier broadcast an announcement claiming soldiers and police had been abducted by protesters and demanded the return of missing personnel and all stolen weapons and equipment.

Casualty figures remained sketchy. Reports from hospitals, college campuses and witnesses yielded at least 318 people confirmed killed and nearly 700 wounded, but the toll was expected to rise as records were updated.

## Casualties

Other hospitals said they had casualties, but workers were either too busy or too scared to reveal the numbers as plainclothes security personnel had moved into the facilities.

Thirty people, including a man over 60 years and a 7-year-old girl, were dead at Beijing Youdian, a doctor said. Most victims died of gunshot wounds to the head and thigh, and many more deaths were expected because operations could not be performed fast enough.

"This is vicious behaviour," the doctors said. "My government has gone insane."

Students at several universities said hundreds of their classmates were unaccounted for.

The Army had set up an outdoor camp with at least 59 battle tanks in the square in the early violence. But citizens gathered on the square's corners, throwing chunks of pavement and taking cover behind burned-out hulks of cars.

The soldiers responded with volleys of machine-gun fire. At least 50 protesters fell to the pavement, but their conditions were not known.

The troops also fired on those who tried to drag the casualties to safety. Some managed to pull the casualties aboard three-wheel pedicabs and evacuate them from the area.

Despite heavy troop movements, the soldiers also remained unable to gain a firm hand on much of the city late today and into the early Monday hours, as crowds of citizens hurled rocks at their trucks, burned buses to blockade them and cheered.



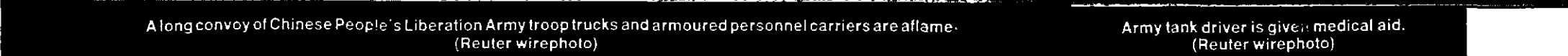
A captured tank driver is helped to safety by the students as the crowd beats him. The students plead with the crowd not to beat the soldier. (Reuter wirephoto)



Pro-democracy protesters surround a smoldering armoured personnel carrier in Peking. (Reuter wirephoto)



Protesters arm themselves with clubs. (Reuter wirephoto)



A long convoy of Chinese People's Liberation Army troop trucks and armoured personnel carriers are aflame. (Reuter wirephoto)

Army tank driver is given medical aid. (Reuter wirephoto)

# Agony ...

BEIJING, June 4, (Reuter): The trauma of slaughter showed on the faces of hundreds of Beijing citizens waiting outside emergency clinics at the city's hospitals on yesterday.

"I was lucky," said a middle-aged man outside the Sino-Japanese friendship hospital in northeast Peking, his arm in a sling after being hit by a bullet.

"Six came with me here in the ambulance. Four are dead, including a child and two lady students. All of us were shot about two this morning when we went outside our homes in Nanheyuan to see what was going on," he said.

Nanheyuan is a street close to Tiananmen Square, into which heavily armed troops and tanks moved at dawn to crush a seven-week student protest.

Hospital reports put the number of dead at more than 50 but estimates by Beijing residents range from more than 1,000 to 10,000. The official media said security personnel were killed but did not give details.

A doctor at the Sino-Japanese hospital said staff had been ordered not to give information to reporters.

Citizens waiting outside were not so reticent.

"Now I know the real meaning of fascism," said a student at the Petroleum University who left the square before midnight yesterday, escaping the killings.

"Two of my colleagues there when the soldiers moved in said they issued a warning that all should leave the square but did not give them enough time. A few minutes later they started firing into the air then at the students."

"We must overthrow this cruel government."

"We must have a general strike."

A middle-aged man nearby added: "We want the United Nations to come and investigate who are these counter-revolutionary thugs the government keeps talking about." Official accounts blame the disturbances on counter-revolutionaries.

"The official news is all lies. Please tell the world of what the army has done. It no longer deserves to be called the People's Army, it is the army of a few families," he said.

In another hospital, a copper bullet was being extracted from the lower back of a man in his 50s,

who grimaced with pain, his mouth full of gauze.

"He was cycling to work this morning as usual," one of the staff said. "The troops opened fire indiscriminately."

When the bullet was pulled out, a nurse showed it to her colleagues.

"This is the government's present to an innocent worker. Is he a counter-revolutionary too?"

A more senior hospital official intervened and told a reporter to leave.

"At a third hospital were two corpses. One was a student grieving friends and relatives surrounded the other, a worker and lifted his jacket to show the bullet wounds in the heart."

"He was going to work as usual," said a colleague, fighting back tears.

"The soldiers were firing at anyone. (Premier) Li Peng is a murderer. He must be punished."

A grim picture of carnage emerged as victims from yesterday's violence in Beijing told of the People's Liberation Army shooting and clubbing its way through waves of unarmed protesters.

"A girl in the crowd heard that her younger

brother had been killed, and lost her composure and ran toward the soldiers," a teacher from Beijing Foreign Languages Institute said. "We tried to stop her, but the troops opened fire. They shot her seven times, even as she was crawling."

The teacher spoke at Beijing Union Medical College Hospital, where the overload surgery department put patients on dusty hallway floors, some with intravenous drips dangling from makeshift stands.

"A four-year-old girl was killed by a bullet as she held her mother's hand," said a doctor at the hospital, a few blocks from Tiananmen Square.

One Beijing doctor put the number of dead at at least 500, but the actual number was expected to rise far higher.

"We have people shot in the head, chest, stomach, legs, even the eyes," a nurse said as she gave an injection to a 27-year-old student whose lower leg was shattered by a bullet.

"The government is so rotten," said the student, his shirt drenched with the blood of another youth standing next to him who was shot in the head.

# Tank crushes girl student

BEIJING, June 4, (Reuter): Stunned survivors of a dawn attack by tanks and troops on demonstrators camped in Peking's Tiananmen Square struggled to safety yesterday, speaking of a nightmare massacre of students and workers.

Students dazed by the experience described how dozens of tanks and armoured personnel carriers followed by vast numbers of troops stormed the square at daybreak, opening fire on thousands of people.

It was impossible to know just how many died in the slaughter. Witnesses said casualties ran into the hundreds.

"An 18-year-old girl was crushed by a tank," said Zhang, a 21-year-old student, of an incident around midnight yesterday.

"Shortly after they fired tear-gas and troops shot into the air."

Troops, who had burst through a series of barricades killing scores of people on their way into the city, ran down the eastern side of the square and took up positions.

"We had captured some weapons and tear-gas canisters but decided they were no use and gave them up to our student leaders," Zhang said.

"Some of us students protected troops. We gave one some clothes and let him go. We cared for them but they didn't have an ounce of humanity. They continued to kill us."

A Western reporter in the square at the time described how a student loudspeaker system broadcast appeals to the troops not to open fire as reports came in of heavy casualties on the outskirts of Peking.

"Chinese people do not kill Chinese people," a woman announcer cried.

They played the communist anthem, the Internationale, and sang the Chinese national anthem. Crowds of unarmed civilians were still milling around despite sounds of approaching gunfire.

At about 3.30 am (1830 GMT Saturday), Hou Dejian, a well-known pop singer who was on a three-day fast in support of the pro-democracy students, went to negotiate with military commanders about evacuating the square, Zhang said.

At this point accounts by witnesses differ.

Zhang said a first round of negotiations broke down and a second round at about 5 am (2000 GMT yesterday) ended with troops opening fire on the crowds.

But Western reporters nearby said Hou returned to the People's Heroes Monument at the centre of the square and told jubilant students that they had won a reprieve until 7.00 am (2200 GMT yesterday).

Students held a voice vote on whether to leave or not and it appeared to be carried in favour of withdrawing. But, reporters said, as people started to leave, armoured columns moved in, flattening tents and opening fire.

Zhang was there.

"Troops fired on students at the edge of the square and set fire to corpses. We hurried to try to collect their bodies but those students were beaten to death ... medics were also beaten back," Zhang said.

"When the troops came to the top of the steps of the People's Monument they opened fire. Some they set fire to. I was sitting down. A bullet went through my hair. Students fell down around me ... about 20 or 30. A group of workers protecting us were all killed."

The Western reporter said the sound of what seemed like mortar shells exploding reverberated to the south of the square.

"Students started to leave," she said. "At this point I saw a column of tanks coming down the west side of the square and on the east a column of armoured troop carriers ... crushing all the tents in their way ... two guys crossed the street in front of me. One got shot so I ran back."

"Behind the tanks there was a line of troops three-deep stretching across the square. They were just firing ... bodies were constantly coming to the medics areas ... these guys were shooting at the backs of retreating students," she said.

The reported escapees by running down a sidestreet.

A European reporter standing under the portrait of chairman Mao Tse-tung at the north end of the square watched 100 to 200 students chanting "China, China."

"About 1,000 soldiers marched up, some firing short bursts from submachine-guns. They were 10 to 20 metres away," he said. He was lucky to survive and was not sure how many died.

# ... hatred



# Legal Clinic

ADVICE FROM OUR KUWAITI LAWYER KHALED TAHER

If you have a legal problem, labour or any other kind, send your questions to Arab Times Legal Clinic. Our Kuwaiti lawyer Khaled Taher replies to readers' queries. Write to Arab Times, PO Box 2270, 13023.

Safat, Kuwait; or fax your questions on Fax No. 4847495. If you have any doubts, please call 4813566 ext 285 between 12 noon and 6 pm.



**Q:** I'm seeking legal advice on whether or not my claim could be taken up in court. I had made a verbal agreement to join as a working partner in a company. In September last year, I was told to "go where I please." Kindly advise.

**S. Abdulraziz:** A: I've read your case with interest. If you have any witness to the verbal agreement, and additional documentary evidence, you can file a case. If the partners accept your version, you can try for an out of court settlement. But it is necessary to file a case to find out the financial status and income of the company. It doesn't matter if the residence is not with the company, as long as you can prove you were employed, you have a chance of winning.

**I AM** on a three-year contract, working as a mechanic. Our company does not allow us to go to our native country during the contract period. Can I go on leave, especially in case of an emergency when my presence is a must? I would like to visit my family as my mother is not in good health.

**Ajay Badodekar:** ACCORDING to the Kuwaiti law, you are entitled to get 14 working days vacation each year. And the first vacation can be taken after completing one working year. However, the period of leave must be decided in co-operation with the employer who can find someone else, within the company, to look after your work while you are on holiday. No employer has the right to refuse leave, and your employer must find a temporary replacement in your absence so that the work does not suffer.

**WE** are teachers, hired locally and working on one year renewable contracts at a school in the private sector. The school is our sponsor, and most of us have been working there for at least two years. We do not get air tickets.

**However,** as we are not renewing our contracts, by choice and are leaving Kuwait this summer, should the school provide the repatriation ticket? There seems to be some doubt about this provision in the new labour law, as we think it applies to everyone employed on March 25th, together with the new contracts after that date. The school think it applies only to new contracts after that date. Please clarify.

**If** the school must provide the airline ticket, should this be on Kuwait Airways or your national carrier, and should it be on a direct route? In case of a disagreement, how do we take the matter further?

**Anonymous:** ARTICLE 20 of the new rules are applicable. It states that "In all cases, the employer undertakes to cancel the work permit of a labourer, besides repatriating the labourer". However, an employer is not obliged to repatriate a labourer if (1) an employee's services have been terminated under a disciplinary action, pursuant to the provisions of Article of the Private Sector Labour Law, No. 30, of 1964; (2) if a labourer refuses to continue in the employer's service during the contract period, without having any legal right to do so; and (3) if a labourer has terminated his/her contract in a manner contradictory to the conditions stipulated therein or to the provisions of the labour law.

The choice of airline is at the discretion of the employer.

**I'M** leaving on June 16 on my annual vacation, and will return on August 23. My residence expires on October 10, 1989. How many days before the expiry of residence should a person return to Kuwait? How many days before the expiry should one process his papers to renew the residence? Is it possible to renew my residence before going on vacation?

**C.K. John:** IT is not possible to renew a residence before going on vacation. As you are returning on Aug. 23, you have sufficient time to submit documents for renewal. It takes about 15-20 days for renewal. According to common practice, an expatriate must submit papers for renewal at least one month before his/her residence expires.

**I CAME** to Kuwait in 1977. In 1985, I took a new visa and went back to India for endorsements and returned a month later. In 1988, I changed my job and began working with a foreign consultancy, sponsored by the Ministry of Public Works. Can I change my sponsorship?

**Akbar:** NO, you can't, because you interrupted "continuous stay" by leaving Kuwait and re-entering on a new visa. If you want to change your sponsorship, you must get a new visa.

**I CAME** to Kuwait in November 1977 on Visa No. 20. In 1983, I changed to Visa No. 18 and have been working in Kuwait. Can I change my sponsorship before three years?

**J.F. Fernandes:** YES, you can change your sponsorship if you have been staying "continuously" in Kuwait for more than 10 years, according to Article 17. But a change of sponsorship must be processed with the knowledge and agreement of the present sponsor.

**A PERSON** was employed for 10 years in one company. After completing 10 years, he joined another company for better prospects and has completed six months service. He is dissatisfied with his new job and would like to seek a transfer of residence. Can he?

**T.S. Balan:** IF he has been staying continuously for 10 years, he is eligible to change his job, provided he seeks a new job with the knowledge of his present sponsor, and the new employer agrees to provide sponsorship.

**I HAD** given an order for gold ornaments to a jewellery shop in Souk Al Watya in mid-April this year. I paid 50 per cent cash advance at the time of placing the order. In the third week of April, the shop closed down and has not been re-opened. What action can I take to get the money refunded?

**S. Panicker:** FIRST, you must contact the Ministry of Commerce to obtain a certificate of ownership that was issued to the shop; once you have this, you can file a case against him to get back the money. You must submit the invoice for advance cash paid to the shop and witnesses to support your claim. You can get two and a half per cent of the amount paid.

**I CAME** to Kuwait in June 1982, working as a driver for a Kuwaiti family. My sponsor, a lady, died in February last year. After her death, one of her relatives gave me a one year visa. Is there any restriction for me to apply for a Visa No. 18?

**A. Ram:** TO MY knowledge, according to the immigration rules those who entered Kuwait before July 82 can apply for such a visa. You can apply to the immigration, if they accept it, your visa can be changed. Otherwise, you'll have to get a new visa and re-enter.

**I CAME** to Kuwait in May 1978 on a Visa No. 20 and joined a company as an assistant. I was employed with the first employer until Nov 1982, when my company provided me with a Visa No. 18. I cancelled my domestic visa and re-entered Kuwait. Is the 10 year period from the date of my first entry or from the second?

**Samuel:** FIRST of all, you can seek a transfer the residence as you have been in Kuwait for more than 10 years; secondly, the residence matter can be worked out as long as you can prove that you have been working with them.

**I'M** a domestic helper since 1986 and hope to continue in the same job, with the same employer, until April 9, 1990. Am I covered by the labour law? Will the release issue be accepted by the Social Affairs Ministry? Can I seek ministry assistance? In case of transfer of residence, does my employer have to pay the expense for the visa and release paper? What are the visa charges?

**Liza Moreno:** NO, you are not covered by the labour law. The release has to be submitted to the Immigration Department, and has nothing to do with the Ministry of Social Affairs. And you can't approach the ministry for assistance.

The visa fee is KD10, which must be paid by the employee. I don't know what you mean by "release payment," therefore, I'm unable to answer your query.

**I'M** a housemaid. I ran away because of physical injury inflicted by my employer with whom I worked for five years. I informed my embassy staff, who tried to negotiate with my employer. I asked for a release, but my employer didn't give it. Later, he said, my visa has expired and he won't give a release. Now, my employer insists that I must go to the police station and pay for my own ticket. I took a part time job to earn money to pay for the air ticket, and have not yet saved enough. One agency is recruiting maids for Canada; I applied and was selected. My embassy is aware of this. I have full papers and can enter Canada. Should I surrender to the police in order to get my passport? Can I go to Canada instead of going back to my country from Kuwait? Can I get my passport without going to the police?

**G.R.:** THERE is no alternative but to report to the police to get back your passport. If you want to report to the police for final cancellation of residence, then the sponsor must pay for the air ticket to settle the matter. There is nothing against going to another country, like Canada, provided you have a visa for that country. But you'll have to bear the difference in the ticket price — the cost of going to your country and to Canada.

**MY Pakistani employer is leaving. How can I change my sponsorship? I work as a tailor under the sponsorship of the Pakistani owner.**

**Mubarak Ali:** YOU must contact the Ministry of Social Affairs with the Pakistani sponsor who is leaving and explain the situation. There is nothing in the law that covers an "employer's departure". Your employer's presence is essential for a change of residence. You'll also have to find a new sponsor who'll give you a residence.

**I'VE** been working for a company for the last eight years. I have all papers to prove my services. But I've been on their visa for only two years. Before that, I was on a dependent visa. Can I transfer my residence?

**R. Mehta:** THE residence number is not the issue; as long as you can prove employment for the last eight years, you are eligible to get full benefits from the day you joined work. End of service benefits are half a month's wages for the first five years and one month's salary for the following years of service. If you resign, you are entitled to get half the benefits.

You don't say how long you've stayed in Kuwait. If you've been in Kuwait for under 10 years, then you can't transfer your residence.

**I'M** on a Visa No. 18, employed for two years with a company. My contract stipulates that in the event of "termination of contract, either party must give two months' notice". Can an employer force an employee to work after the expiry of the notice period? If an employee terminates the contract, but works after the notice period, does the employer pay for his services? Who pays for the air ticket?

**Narayanan:** AS your contract says you must give two months' notice, you're obliged to continue in the job during the notice period, an employer has the right to get two months' notice and if you don't work, you don't get the salary; as a sort of a compensation for the employer; and a penalty you pay.

2) On expiry of notice, they must give a letter asking you to continue; if you accept it the company must pay for the extra days you work. If you don't want to continue, you must inform the company about your decision.

The issue of an air ticket depends on the terms and conditions in your contract with the employer; however, if it is a final cancellation of visa, the employer has to pay.

**I'VE** been in Kuwait for more than 12 years. My residence was given by a company in January this year. Now, I want to change my job. Can I change it?

**Shabbir Isidore:** If you have stayed continuously in Kuwait for 10 years, you can change your sponsorship with the knowledge and agreement of the present employer and the ministry. As long as you have been in Kuwait for 10 continuous years, in principle, there is no difficulty in changing sponsorship.

**I WAS** employed by a private company from 1980 to June 1987. On June 16, 1987, I requested my manager to give me salary for the month of May. He assaulted and abused me. I complained to the police and stopped work. I filed a case (copies of judgement enclosed). The court asked the employer to return my passport and pay the dues and give a release. The case is still going on. Please advise me. I've been unemployed for the last two years. My employer gave a notice in the papers saying I am still under his sponsorship. Should I file a criminal case.

**B.F.:** I'VE gone through the judgement copies you have sent. According to your contract, the court rejected your request for transfer, because of the terms and conditions mentioned in the contract; and the second judgement, which you filed for the same case, also rejected your appeal because it is legally unacceptable to file a case for the same subject twice.

Your contract also specifies conditions regarding release, one clause says that you cannot transfer to another employer for at least two years.

You approach the Ministry of Social Affairs, explain the entire situation and they'll decide what they think about these judgements. If they can do something, they'll help. Otherwise, you must cancel the present visa and re-enter on a new visa. You cannot file a criminal case, because there is no crime involved in it. But you can file a civil case for expenses, provided you can prove that your failure to get a job was because of your employer's refusal to give a release, or that your employer put pressure on other employers not to hire you etc.

The advertisement by an employer is a regular procedure in such cases. As long as your visa is not cancelled, or not transferred, your name will be on the wanted list. However, once you cancel the visa and leave the country, your name will be dropped from the computer list.

**I WAS** brought to Kuwait 15 years ago, by my present sponsor. I've been in his employment ever since. Now, I wish to change my employment but my sponsor refuses to sign the transfer form.

**Peter Fernandes:** YOU must approach the Ministry of Social Affairs and inform them about your case; they'll call the employer, and will handle the matter. If an employer refuses to transfer the residence, according to Article 19, the ministry has the right to transfer the residence without the employer's consent. The ministry can help you.

**No,** you cannot leave the country on the present sponsor's visa and return on a new visa. You must cancel the present visa and enter on a new visa. This is necessary to regularise your papers.

**I AM** motor mechanic. From 1975 to 1983, I worked with an automobile company. In 1983, I went on leave. While on vacation, I extended my holiday by two weeks by writing to them. When I returned, they terminated my services, but re-appointed me on the same salary. I did not get any benefits for my previous service. Does an expatriate lose his benefits in such cases?

**Zafar Ahmad:** ACCORDING to Article 55 (clause C) of the law, a company has the right to fire an employee or terminate him because of absence of more than seven days without any acceptable reason. If such a matter is taken to court, it will decide whether the reason for delay is acceptable or not. In case of overstaying while on vacation, an employee is not entitled to get any service benefits after termination. If you can prove that you were delayed for a valid reason, your current employment would be treated as one continuous contract.

## Cabinet reviews national issues

KUWAIT, June 4. (KUNA): The President of Djibouti, Hassan Gouled would pay a three-day state visit to Kuwait starting June 12, it was announced here today.

The visit is at the invitation of HH the Amir, State Minister for Cabinet Affairs, Rashed Abdulaziz Al Rashed told reporters following the weekly cabinet meeting.

Rashed said the cabinet, meeting under the chairmanship of HH Crown Prince and

Premier Sheikh Saad Al Abdullah, took note of the letter addressed to HH the Amir by UNESCO Director-General Federico Mayor on UNESCO measures to preserve Islamic landmarks in Jerusalem.

The cabinet also discussed international oil developments, and reviewed items to be considered by OPEC oil ministers in their Vienna meetings.

Rashed briefed the cabinet on issues to be

taken up at a forthcoming meeting of the Civic Service Council with all under-secretaries to discuss enforcement of administrative modernisation.

Information Minister Sheikh Jaber Mubarak Al Hamad reported to the council on the outcome of last week's Manama meeting of Gulf Co-operation Council information ministers who discussed Gulf media issues.

## NEWS IN BRIEF

### Volunteers honoured

KUWAIT, June 4. (KUNA): The Ministry of the Interior today held a ceremony in honour of the first batch of 232 Civil Defence volunteers.

The ceremony was attended by Interior Undersecretary Major General Youssif Bader Al Khorafi and other senior ministry officials.

Director-General of the Civil Defence Department Colonel Khalid Al Gaud and director of the training department Lt Colonel Mutlaq Munawir delivered speeches at the ceremony.

### Divorce study

KUWAIT, June 4. (KUNA): Minister of Planning Dr Abdul Rahman Al Awadi said today that concerned parties in Kuwait will begin studying the increase of divorce cases in Kuwaiti families, in comparison with previous statistics available with the government.

Awadi told a local daily that the rate of divorce was still within the normal range, even though these cases are increasing, noting that this increase is due to the growth of the population.

### Technical staff

The assistant dean of the Kuwait College of Technology Studies Dr Hamed Ahmad Hamad said that the college's main scientific activity is still devoted to increasing the number of its teaching staff and developing academic cadres at the Electronic Engineering Division.

He said that the Electronic Engineering Division at the college would organise a number of seminars next year in the Gulf region aimed at enriching scientific research, encouraging the exchange of expertise between the colleges of applied education and scientific establishments, including universities, as well as discussing research studies.

### Videotex operation

THE assistant undersecretary for technical affairs at the Ministry of Communications Salman Al Roumi has said that the Visual Information System (Videotex) is currently in operation that 80 persons have so far subscribed.

He told a local newspaper that 31 subscribers had already been offered the service with the related equipment installed, while preparations were underway to connect the other subscribers.

### Sudanese minister

KUWAIT, June 4. (KUNA): Sudanese Defence Minister Major General Mubarak Othman Rahama arrived here on a four-day official visit.

The Sudanese official was received at the airport by Minister of Defence Sheikh Nawaf Al Ahmed Al Sabah, Chief of Staff Major General Mazad Abdul Rahman Al Sanei and other high ranking ministry officials.

Discussions will centre on various fields concerning developing relations between Sudan and Kuwait especially in the military sphere, Rahama said, adding that his visit to Kuwait aims at exchanging viewpoints with Kuwaiti officials.

### Palestinian evening

KUWAIT, June 4. (KUNA): Patriotic sentiment and the desire to return to the occupied homeland have strongly been incited by Palestinian children here last evening as they displayed national songs and dances.

The festival at the Kuwaiti Savings Fund's Gallery last evening was attended by a big crowd. Costumes representing various localities of occupied Palestine were also displayed at the colourful evening.

## WEATHER

HOT summer weather with light north-easterly wind.  
State of sea: slight  
High water: 1.30 am, 11.30 am  
Low water: 7.00 am, 8.00 pm  
Sunrise: 4.48 am  
Sunset: 6.45 pm  
Maximum temperatures recorded:  
Kuwait: 46°C (115°F)  
Ahmedi: 41°C (106°F)  
Fahala: 41°C (106°F)  
Minimum temperatures recorded:  
Kuwait: 27°C (81°F)  
Ahmedi: 32°C (90°F)  
Fahala: 32°C (90°F)  
Maximum temperatures expected:  
Kuwait: 47°C (117°F)  
Ahmedi: 42°C (108°F)  
Fahala: 42°C (108°F)  
Maximum humidity recorded:  
Kuwait: 19 per cent  
Ahmedi: 23 per cent  
Fahala: 35 per cent

## Modern mores lead to increased divorce

Most separations in first year of marriage

A KUWAITI researcher attributed the increasing upward rate of divorce in Kuwait society to modernisation, small families and social changes.

Dr Fahed Al Nasser of the Sociology Department at Kuwait University said in a research paper submitted to a symposium held recently to study divorce in Kuwaiti society, that divorce rates have gone up during the past two decades.

According to official statistics the number of divorce cases between Kuwaiti couples increased from 815 cases in 1970 to 1,982 in 1985. The increasing rate is not attributed only to the increase in population as the divorce rate increased more than the population growth rate.

The rate of divorce in Kuwait increases with increased tendency towards modernisation. Divorce rates in a stable bedouin society are less than in its modernised counterparts, the official said. He predicted a further increase in divorce rate with the increased tendency towards modernisation.

### Nuclear families

Nasser said that the formation of smaller families where only the husband and wife live alone also gives rise to more divorces. He said that couples living with their parents, where elderly people can always intervene to solve disputes between the husband and his wife, enjoy a more stable marriage. He said that the contacts of the Kuwaiti society with various groups, different in cul-

ture, traditions and some times religion, also contributed to the increase in divorce rates.

The researcher stressed in his paper that working wives also help the trend. Without substantiating his claim with statistics, Nasser said that the cause for this is that there is a continuous conflict about the exact role of the wife whether she is a wife, a mother or a child raiser. But he said that this is not a general rule, as many working wives are very successful in their married lives.

### Mixed marriages

The researcher said that one of the important causes for divorce in Kuwait is the "heterogeneous marriage" or the inter-nationality marriage between couples different in customs, nationality, religion, age and economic and social standards. He said that according to divorce statistics in 1987, 22.9 per cent of all divorces took place between couples different in nationality, most of them were between Kuwaiti husbands and non-Kuwaiti wives.

Another cause for divorce in Kuwait, Nasser said, is the use of technological methods in medicine which increased the life span of both sexes, thus opening the way for more marriages at advanced ages. This leads to several problems. He noticed that most divorce cases among Kuwaiti couples takes place in the first year of marriage and before having children. He said that based on official divorce statistics in 1987, two thirds of divorce cases among

Kuwaitis took place in the first year of marriage. Out of 928 divorce cases, 608 cases took place in the first year of marriage.

Conversely, divorce cases dropped with the lapse of time and the birth of children. Families that have more children are less subject to divorce, the official added.

He concluded by saying that divorce as a phenomenon has become socially accepted in Kuwaiti society. A few decades ago it was regarded as a shameful act that called for condemnation. Thus, he stressed, divorce has become an easy thing to do, without fearing any reactions or consequences as was the case in the near past.

A study presented by Khader Al Qabandi of the Ministry of Planning showed that divorce rate among Kuwaitis increased by 13 per cent during the past 19 years while it remained constant among non-Kuwaitis. The highest rate recorded was in the period from 1981-86 which was 1.6 per cent of the population. Kuwaitis and non-Kuwaitis, while the lowest was in 1987, 1.4 per cent of the population.

Basing his study on official statistics, Qabandi said that among Kuwaitis, the highest rate of divorce took place among husbands falling in the age group between 25-29 and among non-Kuwaiti husband between 30-39. While the age group for divorced women was the same for Kuwaitis and non-Kuwaitis, 20-24.

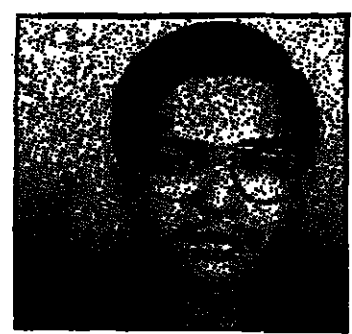
## Excellent results at Indian School, Salmiya

THE Indian School, Salmiya achieved 100 per cent results in the All India Senior School Certificate Examination held in March 1989. The performance this year touched an all time high with many students scoring above 90 per cent marks in various subjects. Excellent results have been achieved in the Commerce and Arts subjects.

In the Science stream (boys), Bhagat V. Nainani with 93.5 per cent marks has topped the list and amongst the girls Farzana Firoze Hafizee and Devika Krishnan with 90.5 per cent marks each shared the first position. In Commerce (boys), Mustafa Tayyab Ali with 80.5 per cent marks stood first and among girls Anupama Raja with 82.5 per cent. In the Arts stream Ramanjit Brar with 76.5 per cent marks came first.

The highest marks scored subjectwise were:

Physics: Bhagat V. Nainani (98)  
Computer Science: Farzana Hafizee and Ajith Tom (98)  
Biology: Ashish Rastogi (97)  
Chemistry: Bhagat V. Nainani, Bijoy Joseph (96)  
Mathematics: Bhagat V. Nainani, Bijoy Joseph and Jerry John (96)  
Typewriting: Vishal Vohra and Mustafa Tayyab Ali (95)  
Accountancy: Preetha Lal and Mustafa Tayyab Ali (92)  
English: Devika Krishnan (85)  
French: Ramanjit Brar (83)  
Commerce: Kaushik Bilgrami and Shirin Chogle (77)  
Economics: Afshan Shaikh.



Bhagat Vikram Nainani



Farzana Firoze Hafizee

Preetha Lal and Khalid Syed H. (75)

Political Science: Ramanjit Brar (75)

Out of 249 students (136 girls and 113 boys) who appeared from the school, 8 students have scored above 90 per cent, 26 above 85 per cent, 80 above 75 per cent in the aggregate, 76 per cent students have passed in first class, in all subjects together. In science alone 94 per cent students have secured first class.

## Egyptians allowed to take maids back home

EGYPT'S Minister of Interior has permitted Egyptians working abroad to bring their Asian or African maids with them when they spend their holidays in Egypt provided they meet the following criteria:

- The employer should have a valid work visa and return to his place of work abroad after the holidays.
- The maid will not be allowed entry into Egypt alone or with children of her employer. She should come with the employer or his wife.
- The maid should have a valid residence work permit in the foreign country of her employer. The visa should carry the name of the employer.
- The maid should have a return ticket to the country of her employer and should simultaneously leave Egypt along with her employer after the holidays. An undertaking to this effect is to be provided by the employer.

## AFESD makes loans to six Arab countries

KUWAIT, June 4. (Reuters): The Arab Fund for Economic and Social Development agreed today to lend KD34.6 million to six Arab countries, the Kuwait News Agency KUNA said.

Agreements were signed to lend Jordan KD8 million (\$27.6 million), Egypt KD7.5 million (\$25.9 million), Iraq KD6.6 million (\$23.9 million), Mauritania KD5 million (\$17.3 million), Morocco KD4 million (\$13.8 million) and South Yemen KD3.5 million (\$12.1 million).

## Thorough check on satellite dishes

SATELLITE dishes can be installed in Kuwait by private owners, provided these communication sets have been approved by the Ministry of Communications, according to Communications Minister Abdullah Al Sharhan.

In an interview with KUNA, the official said that the ministry has instituted varying degrees of reduction on international telephone calls during off-peak periods and official holidays.

The ministry is endeavouring to enhance administrative and productive development in various departments, Sharhan said. He added that expansion projects of telephone services, particularly in Sabahiya and Farwaniya exchanges are being undertaken to solve current shortages.

## Nasser to attend Geneva labour conference

KUWAIT, June 4. (KUNA): Minister of Social Affairs and Labour Sheikh Nasser Mohammed Al Ahmed left here today for Geneva, heading Kuwait's delegation to the 76th session of the International Labour conference.

In a departure statement, Sheikh Nasser told KUNA the conference would discuss economic development in Third

World countries and the error made in their development policies.

The Kuwaiti delegation will table a number of proposals aimed at assisting the developing nations to improve their deteriorating economic situation, he said.

Kuwait, he added, backs a proposal calling for involving UN member countries and UN

specialized agencies in financing regional operations and renewing basic structures from the funds saved by virtue of disarmament measures.

The Kuwaiti delegation, he elaborated, would also raise the issue of Israeli repressive policy against the Palestinian people in the occupied territories and its effect on Palestinian labour force.



# ARAB TIMES Review

## Obituary

# Shook the world

**NICOSIA. (Agencies):** He was a reclusive, frail, dour-faced clergyman, a monkish Muslim little versed in the affairs of state. But Ayatollah Khomeini toppled a king, stunned a superpower and shook the world with his message of Muslim piety and might. He died yesterday aged 86.

Ayatollah Khomeini swept to power in 1979 in an Islamic revolution that shook the Muslim world and turned pro-Western Iran into a militant religious republic defying both superpowers.

The gaunt, white-bearded clergyman unleashed a whirlwind of violent change, attacking 40 years of westernisation under the Pahlavi Shahs with executions of monarchists and purges of the armed forces, government, industry and universities.

He drove his country on in a war with Iraq that cost Iran at least 120,000 lives before bitterly accepting a ceasefire which took effect in August 1988, saying the idea of making peace with Iraq's President Saddam Hussein was deadlier than drinking poison.

Bent on building a puritanical Islamic society in what he saw as a hostile world, Khomeini preached isolationism and rejection of alien influences, lashing out against a range of outside powers he regarded as evil or corrupt.

These included the United States — "The Great Satan" to Khomeini and the atheist Soviet Union. Khomeini's appeal to the mass of Iranian poor lay in his charismatic looks, independent stance, asceticism and ability to inspire the Shi'ite Muslims who comprise 90 per cent of Iran's 50 million people.

**Crucial**  
He stepped in firmly at crucial times to deflect threats he felt to his vision and reassert the revolution's militancy — as in 1989 when pragmatic officials were trying to forge a moderate course for the country after wartime isolation.

Born in September 1902, Khomeini spent his first 60 years as a theological student and teacher. He was known as an outspoken defender of traditional Shi'ite Islam and clerical rights, with an interest in ethics, mysticism and poetry.

Khomeini's elder brother Ayatollah Morteza Pasandideh said in 1983 that Khomeini was the youngest of a family of three sons and three daughters.

Their father, the leading clergyman in the small central town of Khomeini, was murdered by tribal bandits when Khomeini was only four months old.

Pasandideh said he taught Khomeini his first lessons and in the early 1920s Khomeini moved to the newly-revived theological school in Qom. In 1930 he married his wife Ghods-e-Iran, who came from a wealthy religious family and bore him two sons and three daughters.

Some ascribed Khomeini's apparent insensitivity to the suffering inflicted by his followers to his own personal tragedies.

When he was 16, Khomeini lost his mother and an aunt who had helped raise him. His education then fell upon his elder brother Sayed Morteza, now known as Ayatollah Pasandideh, who lives in the Shi'ite centre of Qom, south of Tehran.

In 1977, Khomeini's elder son Hajj Mostafa was killed in Najaf, Iraq, Khomeini's exile home. Khomeini blamed the death on the Shah's secret police, known as Savak.

His younger son Ahmad became a key aide, channeling those who sought access to Khomeini and appearing by his father's side, sometimes weeping with emotion.

Khomeini's opposition to the Shah's westernisation drive in the early 1960s made him the leader of Islamic fundamentalist resistance. In 1964 he was exiled for his campaign.

From exile in the holy Shi'ite town of Najaf in Iraq, Khomeini continued to work against the Shah through a network of sympathetic clergymen all over Iran, who circulated statements and tape-recordings of his political preachings.

In 1978, the Shah's apparently unassailable military and police state faced economic troubles. The Shah faltered in the face of leftist and Islamic unrest. Nationwide strikes, demonstrations and mass-mourning parades escalated.

**Symbol**  
Khomeini emerged as the unifying symbol of the movement and in one famous month people even reported seeing his face in the moon.

As pro-Khomeini demonstrations swept Iran in October 1978, Iraqi authorities allowed Khomeini to go to France, where he received supporters and

continued his call for revolution from a cottage outside Paris.

The Shah, faced with mounting opposition in the form of riots, fled Iran on Jan 16, 1979, for Egypt, where he died following surgery 18 months later.

**Triumph**  
Two weeks after the Shah's departure, Khomeini returned home from exile in triumph.

On April 1, 1979, following a referendum, he declared Iran an Islamic republic, telling Iranians, "You must now assume control of your own destiny and not give the opportunists any occasion to assert themselves."

Khomeini soon embarked on a plan to export his revolution, provoking immediate hostility from his neighbours.

His anti-West fulminations prompted a band of militants to storm the US embassy on Nov 4, 1979, and take 67 hostages. Rather than curb this hooliganism, Khomeini publicly hailed

the takeover and used the hostages to political advantage.

In a final blow to the prestige of President Jimmy Carter, Khomeini held the last 52 American hostages for 444 days, finally releasing them on Jan 20, 1981, as newly elected Ronald Reagan took the presidential oath of office.

Khomeini's use of authority encouraged subordinates to take the law into their own hands. Hundreds of thousands of revolutionary "committees" surfaced across the country to pass verdicts on every aspect of political life.

Summary courts composed of turbaned mullahs put to death thousands of political opponents and other people accused of minor crimes. Attempts by human rights groups, including Amnesty International, to halt the slaughter had no effect.

As Iran's spiritual leader, Khomeini proved adept at manipulating his aides for political motives. He stripped Abolhassan Bani Sadr, the country's first elected president, of military powers and then dismissed him altogether when Bani Sadr disputed the fundamentalist mullahs in June 1981. Bani Sadr fled to France.

A worse fate befell Sadegh Ghotabzadeh, a Khomeini aide who became familiar to American television viewers as Iran's spokesman during the long hostage crisis. An Islamic court found Ghotabzadeh guilty of plotting to kill the Ayatollah, and in September 1982 he was executed. Critics said Khomeini wanted Ghotabzadeh to beg for mercy, which he refused to do.

The gradual elimination of moderates around Khomeini further consolidated the clergy's grasp on power.

**Purge**  
In a purge conducted in Khomeini's name, hundreds of his former benefactors and followers were executed, particularly adherents of Mujahedeen Khalq guerrilla organisation, which had battled the Shah.

In 1982 on the third anniversary of his takeover, Khomeini declared, "each martyrdom has endowed our valiant nation with remarkable growth, making the Islamic republic immune from harm."

The extremism engendered by Khomeini's exhortations to a world-wide Islamic revolution led to a resurgence in Lebanon's minority Shi'ite community. The Shi'ite truck driver who rammed a truckload of explosives into the US Marine headquarters in Beirut in October 1983, killing 241 Marines, was said by Washington to have been backed by Iran.

Similar suicide raids followed in Beirut, Kuwait and Bahrain. The abduction of some two-dozen foreign hostages in Lebanon since the Iranian revolution was recognized internationally as the work of Iranian-backed Lebanese Shi'ite Muslims.

In July 1987, Iranian pilgrims to Makkah rioted, igniting violence in which more than 400 people died.

While Khomeini's rhetoric focused on the West and particularly the United States, his war against Arab Iraq — the country that sheltered him in exile — proved his most significant foreign undertaking.

From July 22, 1987, when the first US-protected Kuwaiti tankers sailed up the Arabian Gulf defying Iranian threats of retaliation, until the Aug 20, 1988, Iran-Iraq cease-fire, the "tanker war" saw the biggest display of US naval force since the Vietnam war.

The conflict also brought other Western warships to the Gulf — source of one-half of the world's oil production — to protect sea lanes for oil tankers, as well as Soviet ships sent to observe the tinderbox area.

**Messianic**  
Khomeini throughout his rule relied on his messianic personality, not the usual trappings of power, to control Iran. He shunned the palaces left vacant by the Shah's downfall. He ate sparingly, dressed in the simple style of Shi'ite clerics, and never ventured outside the country.

He appeared in public with no guard of honour, though his Revolutionary Guards occasionally treated him to chants of "Khomeini-e imam" (Khomeini the spiritual leader).

Khomeini never was known to indulge in any recreation. In rare moments of relaxation with close aides, he removed his heavy turban, displaying thin, closely cropped hair.

His daughter Zahra Mostafavi said he walked the lawns of his villa for exercise, and his personal physician Dr Hassan Arefi said he walked for 25

minutes three times a day every day for the past few years, up to the day before his May 23 surgery for intestinal bleeding.

Khomeini was 79 when his revolution began and his health often seemed shaky. In January 1980, weeks after the hostage crisis began, he was brought secretly from Qom to Tehran for a heart operation and reportedly was fitted with a pacemaker.

There was always the possibility of assassination. Ayatollah Mohammad Beheshti, then chief justice minister and the second most powerful man in Iran, was killed in a massive bombing in Tehran in June 1981 that claimed 72 lives.

Periodic rumours that Khomeini was dead or dying were followed by his public appearances at Jamaran, the suburb north of Tehran where he lived since 1980.

He was more secluded in later years but made his presence felt



Relaxed and triumphant, Khomeini sits and listens to the speeches

## Khomeini is dead

(Continued from Page 1)

bomb, blamed on leftist, killed more than 70 people including the chief justice, four ministers and 27 Members of Parliament.

He had not been considered a leading contender in the power struggle which outsiders believe has been taking place within Iran's ruling clergy during the final months of Khomeini's life.

In domestic politics, Khomeini has favoured private enterprise above massive state intervention in the economy.

He believes strongly in Islamic justice, including the stonings and public executions which have outraged the West since the revolution.

But in foreign policy he is believed to be close to Rafsanjani in a group of relative moderates.

**Body**  
Khomeini's body will be transferred to an open-air prayer site in north Tehran tomorrow where thousands of faithful are expected to pay their respects.

Ceremonial prayers and the funeral will be held on Tuesday. The official media have not said where he will be buried.

Tehran Television, monitored in Nicosia, quoted Khomeini as saying while the experts held an in-camera session: "We hope temporarily to be able to fill the leadership, because the new terms of the constitution are currently under review."

He said it would be two or three months before constitutional reforms ordered by Khomeini earlier this year are completed.

"We must be able to fill this vacuum," he said. "Whether this will be temporary or permanent, will God willing be decided by this meeting."

The government declared 40 days of mourning for Khomeini and hundreds of thousands of grief-stricken Iranians jammed Tehran's streets.

A radio announcer, his voice choking with emotion, reported at 7 am (0330 GMT) "Imam Khomeini passed away" in a Tehran hospital yesterday.

The state television and radio, monitored in Nicosia, said yesterday that his health condition had deteriorated because of an unspecified "complication," 11 days after he underwent surgery to staunch intestinal bleeding in his digestive system.

Tehran's Resalat evening newspaper said later today that Khomeini died just before midnight (2030 GMT), nine hours after a heart failure that demanded his resuscitation.

"From God we come, to God we go," the radio announcer said, reciting a verse from the Quran.

Programming on Tehran Radio went silent about two hours before the announcement at 7 am. The statement was followed by a broadcast of verses from the Quran.

**Cut**  
Direct telephone links between Tehran to the outside world were cut early today.

Diplomats based in the Gulf said machine-gun toting troops loyal to Khomeini and his son have been spotted on street corners in Tehran and in other major Iranian cities since the announcement of the ayatollah's death.

Opposition groups in exile predicted a major crisis because Khomeini, 86, died without resolving the crucial question of who would succeed him.

But he left a 29-page political testament, in which he is believed to have proposed how the Islamic Republic should be governed after him.

The "divine political will and testament" was read at an emergency session of the Majlis, Iran's parliament, that lasted 2-3/4 hours, the official Islamic Republic News Agency (IRNA) said.

It did not report what the document said. But the agency noted that Khomeini's only son, Ahmad, 43, will publicly disclose the contents of the document, which contains "five pages of preface and a one-page appendix."

It was first written in 1982, and revised and sent to parliament in December 1987 to be opened only after his death.

The meeting of the 270-seat Majlis was attended by the Assembly of Experts.

Resalat, giving the first account of Khomeini's last hours, said: "Doctors revived the imam ... and he regained consciousness, though he was not able to speak to relatives and top officials who were at his bedside. He whispered prayers."

IRNA quoted the newspaper as reporting: "As the night moved closer, the imam slid further into silence and finally at about midnight, he joined celestial heaven."

Resalat said Khomeini knew before yesterday's setback that he would not recover.

"I will die," Resalat quoted him as telling relatives Friday.

Khomeini had been reported ailing since he suffered a heart

attack in 1986, his second in several years.

IRNA said Khomeini's body, "washed and shrouded according to Islamic laws," was taken to a mortuary.

The Islamic Guidance Ministry invited foreign journalists to cover the funeral and said visas would be valid until noon (0830 GMT) Tuesday.

Live television coverage from Khomeini's residence in the north Tehran suburb of Jamaran showed hysterically weeping bearded men beating themselves on the head in the traditional Shi'ite Muslim expression of extreme grief.

Women clad in black head-to-toe chadors wept and beat their chests with their fists as loud-speakers blared recitations from the Holy Quran.

Several men and women were carried into the mosque after being knocked unconscious in the stampede. At least two men were bleeding from head injuries.

The radio and television broadcast appeals to the huge crowd to disperse to avoid injuries. But it swelled into a surging tide of people, reminiscent of the throngs who welcomed Khomeini in his triumphant return from exile in February 1979 to overthrow 2,500 years of monarchy.

One woman wailed: "We have been orphaned ... our father is dead."

Men chanted: "Sorrow, sorrow is this day... Khomeini, the idol smasher, is with God this day."

Black flags hung from every building and lamp post in the street as marchers waved life-size portraits of Khomeini adorned with flowers.

The TV showed film of the black-turbaned, white-bearded Khomeini when he returned to Iran, addressing worshippers after the establishment of the republic and later lying in his hospital bed after undergoing surgery May 23.

Khomeini is survived by a wife, three daughters and Ahmad. His eldest son, Mustafa, died while Khomeini was in exile in Iraq.

It was not clear to what extent Khomeini's testament would help defuse the crisis that has gripped Iran since he launched a resurgence of radical fundamentalism in February.

That was when he sentenced British author Salman Rushdie to death for his novel "The Satanic Verses" which allegedly blasphemed Islam.

In recent months, Tehran has also witnessed an intensifying power struggle between rival factions as Khomeini's health deteriorated.

Oil Minister Gholamreza Azazadeh said in Vienna before the selection of Khomeini he did not believe Khomeini's testament would have any bearing on the assembly's leadership decision. The Iranian delegation attending an OPEC meeting will remain in Vienna despite Khomeini's death.

Azazadeh said the will was written before Khomeini sacked his designated successor, Ayatollah Hussein Ali Montazeri, 64, in March for openly criticising the regime's shortcomings and demanding reforms.

Khomeini appointed a 20-man committee to settle the leadership issue and formulate constitutional reforms last month. But in the absence of a single figure with Khomeini's religious and political authority, analysts believe Iran will likely be ruled by a collective leadership.

Television and radio announcers wept as they read eulogies.

Khomeini, Prime Minister Hussein Musavi, Parliament Speaker Hashemi Rafsanjani and Chief Justice Musavi Ardebili mourned their leader in a joint statement.

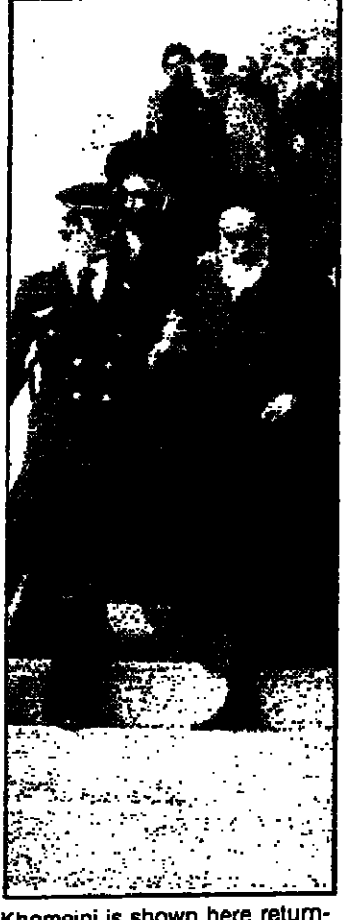
"It is with deep sorrow that we ask how we can bear this great loss?" they said. "How can we believe that our beloved imam is no longer among us? Our lives have gone with him."

The Assembly of Experts cautioned in a statement against "foreign plots," underlining fears that Iran's foes, including Iraq and the United States, might seek to take advantage of the political uncertainty.

The armed forces declared in a statement that they remain vigilant against "enemies who are determined to destroy Islam" and stressed: "We pledge not to allow the flag you (Khomeini) have hoisted to fall."

Iran's main opposition group, the Iraq-based Mujahedeen-e-Khalq, hailed the death of Khomeini. Its leader, Masoud Rajavi, described him as "the most notorious dictator of recent times."

He predicted that the Islamic Republic will not survive. Mujahedeen officials said the movement was ready to move "at the appropriate time" to topple the Tehran government. But they were not expected to take any immediate or dramatic action.



Khomeini is shown here returning to Tehran after 15 years in exile.

...and the world was forever changed



## World reacts with grief, joy

### No relief yet

NICOSIA, June 4, (Agencies): Reaction to the death of Ayatollah Khomeini from people whose lives had been touched by the Iranian leader ranged today from public grief in Beirut to quiet relief in New York.

In London, author Salman Rushdie was said by an associate to harbour few hopes that he could start leading a normal life. A British Muslim leader said Khomeini "death sentence" against Rushdie still stood.

Governments were more cautious in their reaction to the death on Saturday of the man who led Iran's 1979 Islamic revolution and steered the country's anti-Western drive.



George Bush

### Bush wants a responsible Iranian nation

KENNEBUNKPORT, June 4, (Reuters): A vacationing President George Bush said today that he hoped the death of Iranian leader Ayatollah Khomeini meant that Iran would move towards assuming "a responsible role" in the world community.

"The official Iranian news agency has confirmed the death of Ayatollah Khomeini. With his passing we hope Iran will now move towards assuming a responsible role in the international community," Bush said in a statement.

He was spending the weekend at his Kennebunkport holiday home after a week-long European trip and was to return to Washington later.

Khomeini was an unyielding foe of the United States who humiliated the "Great Satan," helped bring down one American president and tarnished the reputation of another.

For 444 days the nation was gripped by concern for the fate of 52 American hostages seized by a Tehran mob which took over the US embassy on November 4, 1979.

The hostage drama overshadowed Iran-US relations for nearly 10 years.

President Jimmy Carter, whose decision to allow the Shah of Iran to receive medical treatment in the United States set off the hostage crisis, admitted the action marked the beginning of the end of his presidency.

Carter was also denounced for an abortive attempt to rescue the hostages.

"The Shah predicts a period of uncertainty, turmoil and feuding among the factions," said Robert Armao, a spokesman in New York for the Pahlavi family.

A US official familiar with policy in Iran said he did not anticipate "any drastic change in policy in Tehran" in the post-Khomeini era. The official said there was no question Iran will remain an Islamic republic. "But just what kind of course they're going to take, we'd be just guessing right now," the official said on condition of anonymity.

He said there were some indications that a collective leadership would rule Iran while various individuals vied for power.

#### Arab world

In the Arab world, reactions varied between profound grief, cautious optimism and trepidation that a period of political infighting and increased religious fervour could grip Iran.

Sobbing Shi'ite Muslims paraded through Beirut's southern suburbs and the Bekaa valley in eastern Lebanon.

Black banners and Iranian flags fluttered from every balcony in the suburbs and giant posters of Khomeini plastered the walls. Scores of women sprayed cars and pedestrians with perfume in a traditional gesture marking a Muslim leader's death.

Syria, Iran's only Arab ally in its devastating eight-year war with Iraq, declared a week of mourning. In Iraq itself, news of the ayatollah's death was reported without comment.

Arab states which generally backed Iraq in the conflict ended by a cease-fire last August were also restrained.

The only note of jubilation came from the Mujahedeen-Khalq Iranian opposition group. Its Baghdad-based leader Massoud Rajavi, calling Khomeini "the most notorious dictator of the modern times," said a new era was opening for Iran's people.

"We have nothing to say about it at all. There is no reaction to his death, no reaction at all," a Foreign Office spokesman said in Britain.

Four Britons are missing, believed kidnapped, in Beirut. Shiite Muslim militants loyal to Khomeini are believed responsible.

#### Judgement

Iran broke ties with Britain in March in the row over Khomeini's order to Muslims to kill Rushdie for alleged blasphemy in "The Satanic Verses."

Kalim Siddiqi, director of the Muslim Institute in Britain, said today: "There's no question of the death sentence being lifted just because the judge who passed sentence has died."

US President George Bush said he hoped Iran would moderate its policies now that Khomeini was dead. "With his passing we hope Iran will now move towards assuming a responsible role in the international community," he said in a statement.

The New York Times recalled the 444-day ordeal of 52 American hostages after the seizure of the US embassy in Tehran in November 1979, which it said caused "agony, fear and humiliation in the United States."

A former US hostage in Iran said the death of Khomeini ends a nightmare for former captives, while the son of the former Shah predicted trouble in his homeland.

"I'm not the type to say I'm happy he's dead," said former hostage Barry Rosen, one of the 52 hostages held 444 days by radical Iranian students from 1979 to 1981. "But I do feel, to a certain degree, that that part of the nightmare is over for us and for Iran."

"For those Iranians who followed and worshipped him as a religious leader, it's a tremendous tragedy. But I don't see his death as a tragedy. I see the tragedy in him coming to power at that time in Iran's history," said Rosen, assistant to the president of Brooklyn College.

"He had his own moral standings. I think he hurt millions of people not just outside of Iran but many Iranians have died because of Khomeini. He has caused a lot of pain all over the world," Rosen said.

The son of the late Shah Reza Pahlavi, who has lived in exile in Europe and the United States as the pretender to the Peacock Throne, saw trouble ahead.

### Iraq

BAGHDAD, June 4, (Reuters): Baghdad radio broke into its morning news bulletin today to broadcast without comment Tehran radio's announcement of the death of Ayatollah Khomeini.

Khomeini had led Iran in the eight-year war against Iraq which stopped under a UN-brokered ceasefire last August.

### Syria

DAMASCUS, June 4, (Reuters): President Hafez Al Assad of Syria, Iran's strongest Arab ally, sent a cable of condolences to Iranian President Ali Khamenei today on the death of Iran's spiritual leader, Ayatollah Khomeini.

"The Islamic Republic of Iran and the Islamic world lost by his death an honourable scholar who crushed the Shah's regime and moved Iran to work for Islam's glory, defend the causes of Muslims and resist aggressive and suppressive forces," Assad said in his cable.

Syria's Council of Ministers issued a separate statement declaring a week of national mourning for Khomeini.

### Pakistan

ISLAMABAD, June 4, (Reuters): Pakistan ordered 10 days of state mourning for Iran's spiritual leader Ayatollah Khomeini, who died yesterday.

The national flag will fly at half-mast over government buildings throughout Pakistan and all Pakistani missions abroad, a government statement said today.

### India

NEW DELHI, June 4, (AP): President Ramaswamy Venkatarman, in a condolence message upon learning of the death of Ayatollah Khomeini, today called the patriarch of the Iranian revolution "a great visionary."

"We are deeply shocked to learn about the passing away of the venerable Imam, Ayatollah Khomeini, the great revolutionary leader of the Iranian nation," Venkatarman said in a message to President Ali Khamenei of Iran.

"In the untimely demise of the Ayatollah, Iran has lost a great visionary and spiritual leader," the Indian President said.

In the northern city of Srinagar, wailing Shiite Muslims marched through the streets beating their breasts to mourn Khomeini's death, Press Trust of India said.



Iranians mourn the death of their leader Ayatollah Khomeini outside his residence yesterday. The nation of 50 million people went into mourning for the man who led them through a decade of revolution and eight years of bitter war with Iraq.



People of Tehran mourn and openly cry in the streets to Jamaran, Tehran after hearing that their leader Ayatollah Khomeini had died Saturday night ten days after major surgery in a Tehran hospital.

### Israel

JERUSALEM, June 4, (UPI): Israel said today it hoped the new leadership of Iranian the wake of Ayatollah Khomeini's death would improve its stand on human rights and attitude toward Western countries.

In reacting to Khomeini's death, Israel's Foreign Ministry said, "Israel can only hope that the future leadership of Iran will adopt a more positive position both on the issues of human rights and its attitude to the Western world and Israel."

### Qatar

DOHA, June 4, (KUNA): Qatari Deputy Amir Sheikh Hamed Bin Khalifa Al Thani today sent a cable of condolences to Iranian President Ali Khamenei expressing deep regret and sympathies for the passing away of Iranian spiritual leader Ayatollah Khomeini.

### Britain

LONDON, June 4, (KUNA): The British government maintained a studied silence here today following the announcement of the death of Iran's spiritual leader the Ayatollah Khomeini.

This morning a Foreign Office spokesman said: "We have nothing to say about it at all. There is no reaction to his death, no reaction at all."

He said, however, Britain would be watching developments in the Islamic republic with keen interest.

The spokesman added that the UK had no intention of sending any representative to Khomeini's funeral.

### Japan

TOKYO, June 4, (AP): A Japanese government official today said Iran's political situation was uncertain following the death of revolutionary patriarch the Ayatollah Khomeini.

He said Tokyo hoped to maintain friendly relations. The Iran embassy in Tokyo hoisted a flag at half-mast and displayed black-framed photos of Khomeini. Embassy officials were not available for comment.

### Egypt

CAIRO, June 4, (Reuters): Egyptian Foreign Minister Esmat Abdel Maguid said today the death of Iran's supreme leader, Ayatollah Khomeini, could help efforts to bring peace to the Middle East region.

"Iran can now contribute in spurring the Middle East peace process by applying UN Resolution 558," he said, referring to the Security Council motion which brought a ceasefire in the Iran-Iraq war last August.

## Lebanon's Shiite Muslims mourn the Iranian leader

BEIRUT, June 4, (AP): Men and men sobbed in the streets and verses from the Quran, Islam's holy book, reverberated from loudspeakers on mosque minarets today as Lebanon's Shiite Muslims mourned Iranian leader Ayatollah Khomeini.

"Oh Imam, why have you left us?" Members of the fundamentalist Hezbollah, or Party of God, chanted in the party's main mosque in the Bir El Abed district of south Beirut.

"Light of my eye, O Khomeini," a crowd of Hezbollahis in the mosque sobbed back.

South Beirut is a main stronghold of Hez-

bollah, Iran's main ally in its quest for dominance of Lebanon's 1 million Shiites, the country's largest sect.

Lebanon is the only country outside Iran, which is predominantly Shiite, where Khomeini's Islamic revolution has really taken root.

#### Disaster

Hezbollah seeks to create an Iranian-style republic in the war-torn land.

Khomeini died late yesterday, aged 86, 12 days after undergoing surgery to stop bleeding in his digestive system, Iran's official

Islamic Republic News Agency reported today.

"Imam Khomeini's death was one of the most devastating disasters to have struck the Islamic nation," said Sheikh Mohammed Hussein Fadlallah, Hezbollah's spiritual guide, in a cable to the Iranian government.

Hezbollah officials were making arrangements for a mass demonstration either late today or tomorrow to coincide with Khomeini's funeral.

"There's still no fixed programme. We want our farewell to be on as great a scale as the greatness of his leadership," said a Hezbollah

spokesman, who did not want to be identified. He said the party will call for a 7-day mourning period and a three-day shutdown in Muslim areas.

#### Official mourning

Acting Prime Minister Salim Hoss, a member of the Sunni sect who heads Lebanon's Muslim cabinet vying for power with a rival Christian government, also ordered a three-day official mourning.

Beirut's two Muslim-run radio stations cancelled their scheduled programmes to broadcast sombre music and verses from the Quran.

The Iranian embassy in Beirut said it will receive condolences for six days.

There was no sign of mourning in the Christian enclave north of Beirut.

The Christians, who have been fighting to preserve their dominance of the government and Western way of life, oppose Hezbollah's quest for an Islamic republic of Lebanon.

But in Bir El Abed, the most thickly populated neighbourhood in south Beirut's Shiite slums, Muslims tied black ribbons to car antennas.

Black flags flew from apartment buildings and on roadside power poles.

Men, some wearing black shirts in mourning, wept openly in the streets, sobbing loudly.

"The Imam has left us physically, but his spirit remains here with us," said a Hezbollahi, who identified himself only as Ali.

"He has promised us victory and victorious we will be."

Groups of wailing women huddled together outside the mosque against a wall decorated with pictures of Khomeini and other Iranian and Lebanese fundamentalist leaders.

"O, what a great catastrophe oh God help us get over it," they wailed.



# ARAB TIMES Review

'Stay calm and take destiny in your hands'

## Opposition leaders urge Iranians to seize opportunity for change

By Jadranka Porter

THE death of Ayatollah Khomeini brought exiled Iranian opposition leaders to the forefront as they urged the people of Iran to seize the opportunity for change.

Admiral Ahmed Madani, former presidential candidate and commander of the Iranian Navy, called on the clerics in Iran to step down and hand the power to secular and democratic forces.

In an exclusive telephone interview with the Arab Times Madani said: "Iranian clerics should take their rightful place which is outside the government."

Speaking from Frankfurt, West Germany, Madani said he is planning to return to Iran.

"I was among the forces that formed the backbone of the Iranian revolution. Because of that I plan to go back as soon as possible to help establish a tolerant government which would promote the system that we wanted from the start," Madani said.

The admiral, who was also once the governor of the Khuzistan province, now belongs to the Paris-based National Front Party which follows the policies first outlined in the 1950s by then premier Dr Mosadeq.

He said the National Front Party has a massive following inside Iran but the party's supporters are forced to work clandestinely. The majority of people in Iran are moderate republicans, he contended.

He said irrespective of who takes over as

Khomeini's successor, he will not last long.

"I don't believe they (the clerics) can run the country. Their record is one of failure," he added.

But he pointed out that the revolution spurred the revival of Islam and this, he said, will remain as Khomeini's legacy to the Middle East.

The revolution, he said, also drove many Iranians towards demands for the return of monarchy but Madani doubted that royalists would gain power.

He condemned the extremism of the Khomeini regime which is epitomised in the activities of revolutionary guards, the pasdaran.

"The pasdaran behaved like fascists and

their activities must come to an end," said Madani, adding that they should be integrated into the regular army.

Abdoli Rahman Boromand, the second-in-command of the Paris-based Iranian National Resistance Movement called on the people of Iran to come out in the streets and demand the ousting of the Khomeini regime and to replace it with secular and democratic rule.

In an exclusive telephone interview with the Arab Times Boromand said: "My message to the people in Iran is to stay calm and take their destiny in their own hands."

He urged Iranians to maintain vigilance to prevent the succession of another dictator.

"There is a danger that one dictatorship will give to another. There are people in Iran who are worse than Khomeini. No one should take the words of the mullahs seriously. They are power hungry liars. People of Iran will not accept them," stressed Boromand.

He insisted that religion be separated from political rule allowing Iran to establish a secular, liberal and democratic government.

The death of Ayatollah Khomeini, he said, is a welcome development allowing Iranians to rid themselves of dictatorship once and for all.

"I hope that Iranians will have enough wisdom to profit from the current leadership vacuum," he added.

Boromand is vice-president of the

movement's council led by former Iranian Prime Minister Shapour Bakhtiar.

Hassan Shariat Madari, one of the founders of the Iranian Muslim Republic Party, said yesterday that Iranian youth could in the long term decide the future of the country by leading its support to the Iranian democratic movement.

Speaking to the Arab Times from his home in Hamburg, West Germany, Madari said Iranian youth are confused and need more time to decide on the type of system they would like to have.

He predicted a deep power struggle in Iran by the end of which, he said, young Iranians might be ready to cast their vote in favour of democracy.

## Gulf keeps wary eye on Iran

KUWAIT, June 4, (Reuters): After years of bitterness, Arab states in the Gulf are watching Tehran with a wary eye for clues to the shape of post-Khomeini Iran.

Kuwait, Bahrain and Saudi Arabia have accused their giant neighbour to the northeast of carrying out sabotage and fomenting unrest in their territories as it tried to spread Ayatollah Khomeini's brand of militant Shiite Islam.

Iraq, which fought a savage eight-year-old war with Iran, has particular cause to watch for signs of change. Peace talks which followed last August's ceasefire have made no sig-

nificant progress and the two nations live in an uncertain state of no-peace no-war.

Baghdad Radio broke into its morning news commentary today to announce, without comment, news of Khomeini's death the previous night.

Fears "I don't think signs of relief will be in order until we see what happens next," said a Western diplomat in Riyadh.

A senior Bahraini official told Reuters there were fears that a period of greater instability could follow as various candidates in Iran vied for power, each trying to appear more religiously devout than the other.

Saudi Arabia, Bahrain and Kuwait, ruled by Sunni Muslim governments, all have substantial Shiite populations, and acts of sabotage have been linked to groups that support Iran.

Teachers at Bahrain University said students wept openly at hearing the news, and residents in Shiite neighbourhoods in the Gulf said Holy Quran was being recited from mosque loudspeakers, apparently to mourn Khomeini's death.

Diplomats cautioned that supporters of Iran might cause trouble in Saudi Arabia during the haj, or pilgrimage, to Makkah next month. The end of the traditional 40-day Islamic mourning period decreed for Khomeini falls near the peak of the pilgrimage around July 13.

More than 400 people, mostly Iranian pilgrims, were killed in clashes in Makkah between militant pro-Khomeini demonstrators and Saudi security forces in 1987.

### Negotiations

The following year Riyadh asked Iran to reduce from 150,000 to 45,000 the number of pilgrims it would send to Makkah. Tehran responded by boycotting the pilgrimage and Riyadh later ordered Iranian diplomats out of the country.

Western diplomats in Saudi Arabia said negotiations to allow Iranian pilgrims in for next month's haj had broken off completely in the last few weeks. But they added that Khomeini's revolution enjoyed support among non-Iranian Shiites who might cause trouble.

Western diplomats said the worst case scenario for Gulf states would be if more extreme mullahs took control inside Iran and decided to renew the war with Iraq and export the Khomeini revolution.

"But I don't think the Iranian people are ready for that and it would be a severe miscalculation for whoever took control," said one senior diplomat.

## Lebanon-like fragmentation feared

## Death leaves Iran groping for direction

NICOSIA, June 4, (Reuters): The death of Ayatollah Khomeini leaves Iran groping for direction after years of upheaval and war.

The question for most Iranians is whether there will be a smooth transition in the post-Khomeini era or a Lebanon-like fragmentation tearing the country apart.

The urgency of the leadership issue was underscored by a statement this morning from the assembly of experts, the group charged with choosing the next leader.

In a statement carried by the Iranian news agency IRNA, the assembly called on its members — nearly 60 mullahs throughout the country — to "convene immediately to decide on the issue of leadership."

Khomeini's will, which is expected to give guidance on his wishes for the future leadership, will be read to this meeting by his son and chief aide Ahmad, himself a junior cleric.

Such guidance is crucial at a time when even Iran's basic political structure is under review, with most officials saying the role of the supreme leader will diminish in future because there is no top Shiite cleric with Khomeini's stature to fill his religious and political place.

A 25-man panel ordered by Khomeini in April to draw up amendments to the 1979 constitution has not completed its work, which was to be put to referendum in August after approval by Khomeini. One month earlier, Khomeini had sacked his designated successor Ayatollah Hossein Ali Montazeri for lack of zeal.

### Selection

The amendments are likely to lower the criteria for the selection of the supreme leader to allow a less senior cleric to guide the country's spiritual development and consolidate executive power in the presidency.

Presidential elections are due to be held on August 18. To date, and unofficially, only one man has been nominated to stand — Parliamentary Speaker Ali



Rafsanjani: nominated

Akbar Hashemi Rafsanjani.

A senior civil servant in the former Shah's government said he always dreaded the day Khomeini died: "It is his stature that has kept all those zealots in line. Without him Iran could turn into another Lebanon."

Coming from an opponent of the revolutionary regime, his comments dramatically illustrate the fears of many Iranians for post-Khomeini Iran.

While some political analysts see a pragmatic faction less hostile to the West emerging under

Rafsanjani's leadership, many basic issues are still unresolved.

Among them are the extent of government interference in the economy, the direction of foreign policy and the scope and breadth of fundamentalist Islamic ideology.

The former civil servant said he feared widespread conflicts among the ruling factions and a poor-against-rich war in Iranian society. Political differences among leaders each claiming to be Khomeini's heir could spread to the armed forces, further undermining Iran's social fabric.

### Radicals

Other Iranian sources said Rafsanjani earlier this year appeared to have fended off a major challenge to his power from radicals gathered around Interior Minister Ali Akbar Mohtashemi.

Mohtashemi was said to have had close links with members of Khomeini's office and to oppose as defeatist the sort of diplomatic stance espoused by Rafsanjani over the Gulf war and future foreign policy. Rafsanjani said he was opposed to the old policies which needlessly created enemies for Iran.

But after the furore over Khomeini's death order in February on British author Salman Rushdie for alleged blasphemy against Islam, Mohtashemi and his supporters — members of a radical clerical group in Tehran — backed Rafsanjani's nomination for Iranian president.

The man who poses the biggest mystery in the leadership stakes is Khomeini's son Ahmad.

Many Iranians believe the 42-year-old Ahmad has ambitions to maintain the sort of power that his unique position gave him.

Based on religious standing or political position, Ahmad comes nowhere near challenging Rafsanjani. But a fluid power structure has operated in the revolutionary republic even while Khomeini was alive, with no absolute criteria to define position.

Rafsanjani climbed to power despite his not having the religious seniority to become supreme leader or, as Speaker of Parliament, a particularly powerful political base.

Ahmad had the task of announcing Khomeini's death to the nation and his reading of Khomeini's last wishes will ensure he maintains a high profile at a time of great uncertainty.

### Key players

Other people likely to be key players in the transition to the post-Khomeini era.

— Mir-Hossein Mousavi, 48 this year, built up a political base in the bulging state apparatus during his eight years as Islamic Iran's fourth, and probably last, prime minister.

— Ayatollah Abdolkarim Mousavi Ardebili, chief justice since 1981. He has been in charge of the Islamic transformation of the judiciary, but the slow pace of justice created public dissatisfaction and brought a reprimand from Khomeini earlier this year.

— Ayatollah Ali Meshkini, Friday prayers leader of Qom, chairman of the assembly of experts charged with choosing Iran's future leader and chairman of the Constitution Revision Committee.

— Ayatollah Mohammad Reza Mahdavi Kani, occasionally named as a possible future leader, is a firm backer of bazaar merchants, in his 70s and in poor health.

— Prosecutor-general: Musavi Khoeihi, 47, a key anti-Western hard-liner known as "The Red Mullah" because he studied at Moscow's Patrice Lumumba University and Leipzig University in East Germany.

— Ayatollah Abdollah Javadi Amoli, one of the foremost philosophy teachers among Shiite clergymen in Qom, has been little involved in politics.

— Intelligence Minister Mohammad Mohammadi Rey-Shahri, 43. He has emerged in recent years as a powerful figure.



Reaching out

Ayatollah Khomeini is seen in this Feb. 3, 1979 file photo with an adoring crowd in Tehran. (Reuters wirephoto)



In mourning

Three Iranian men mourn the death of their leader Ayatollah Khomeini, who died early Sunday. (Reuters wirephoto)

## Future of young Khomeini uncertain

NICOSIA, Cyprus, June 4, (AP): Before Ayatollah Khomeini's death, his son, Ahmad, had begun to emerge from the long shadow of his father, Iran's revolutionary leader.

Although he is only a middle-ranking cleric, or hojatoleslam, Ahmad had long been one of his father's closest advisers. As private secretary, he controlled access to the reclusive revolutionary patriarch and wielded power behind the scenes.

"He's the holder of the gate, the custodian, and has a lot of influence with his father," Shahr Chubin, an Iran specialist with the graduate Institute of International Studies in Geneva, said in a telephone interview. However, Ahmad may find he lacks the religious credentials and administrative experience to keep his power, Chubin added.

In recent months, the younger Khomeini took an increasingly high public profile as his father's health declined.

Ahmad Khomeini, 43, has allied himself with radical figures in the Tehran hierarchy in a power struggle that has intensified since the Aug 20 ceasefire in the war against Iraq.

This has sparked speculation that he was seeking to establish himself as his father's political heir by engineering the March 28 dismissal of the revolutionary patriarch's designated successor, Ayatollah Hussein-Ali Montazeri.

Ahmad had been at his father's side since their days in exile and through the revolution that toppled the late Shah Mohammad Reza Pahlavi.

Although he holds no official title, he was his father's eyes and ears.

Involved He is not a member of any official body. But diplomats and other sources said that Ahmad sits in on most meetings and has become increasingly involved in the decision-making process.

The theory that Ahmad was making a bid for power was given more credence last month when Tehran newspapers published lengthy excerpts of a 110-page memorandum Ahmad had written to Montazeri.

The memo, lashing Montazeri for seeking to undermine Khomeini's authority and consorting with opposition groups, appeared to be aimed at publicly projecting Ahmad as a candidate to inherit his father's mantle.

Masoud Rajavi, leader of the main Iranian opposition movement, claimed that Khomeini was grooming Ahmad to take over from him.

Rajavi, who heads the Mujahedeen Khalq, or people's holy warriors, said in a statement that Khomeini's dismissal of Montazeri for his criticism of the government "prepared the ground for this appointment."

Rajavi argued that Khomeini's appointment of a special committee to amend the constitution was aimed at downgrading the religious qualifications of his successor from that of "divinely inspired authority" to make room for Ahmad.

But analysts believe Ahmad could in fact be one of the casualties.

With Khomeini out of the picture, and with no secure power base of his own, they believe Ahmad's influence could evaporate.

"As Khomeini's health has deteriorated he has been able to control his father's statements and this has given him some authority," Chubin said.

"But it would be rather difficult for him to be the keeper of the flame after Khomeini goes. Ahmad has neither the religious credentials nor the administrative experience to rule and it's not clear whether claiming dynastic credentials will be enough."

## Khomeini tried to build society based on his vision of Islam

NICOSIA, June 4, (Reuters): Iranian leader Ayatollah Khomeini who died last night tried to build a society based on his vision of Islamic values in Iran to challenge the communist and capitalist worlds.

The revolution which brought him to power in 1979 revived many Islamic practices in a country which had been drawn more into the Western orbit in the previous decade of oil-boom prosperity under the late Shah.

The initial upsurge of nationalism and rejection of foreign influence was welcomed by vast sections of the population who saw a possible end to a centuries-old tradition of foreign meddling in the internal affairs of strategically-located Iran.

But the hardships of the war against Iraq, economic problems and Islamic restrictions on social and cultural life soon overtook the revolution's benefits in the eyes of much of the middle class.

### Pragmatism

For more than seven years, Khomeini urged Iranians to fight to overthrow Iraqi President Saddam Hussein whom he saw as making war to annihilate Iran's Islamic state on behalf of all evil forces in the world — before he had to grudgingly admit it was not possible.

Diplomats estimated about half a million Iranians had died in the war before Khomeini gave in to advice of more pragmatic politicians, principally Parliamentary Speaker and Act-

ing Armed Forces Chief Ali Akbar Hashemi Rafsanjani, to accept peace.

In a message explaining his drastic and unexpected change of mind in July 1988, Khomeini profusely apologised to the people for the decision which he said was more deadly than taking poison for him.

Khomeini said the war's "martyrs" had achieved salvation, but many people in Iran questioned if it had been wise to continue the war after the initial Iraqi aggression was largely repulsed in 1982.

This view, once restricted to the opposition, was expressed by some senior officials after the ceasefire, sounding the alarm for Khomeini who saw a danger of the revolution drifting away

from its anti-Western principles.

Khomeini, who in 1979 gave his full blessing to militant students who took over the US embassy, put the country back on a militant course in February 1989 when he ordered Muslims to kill British author Salman Rushdie for insulting Prophet Mohammed (PBUH) in his novel *The Satanic Verses*.

The affair led to a diplomatic row with Western European countries and scuttled tentative moves over the previous year to improve relations with the West.

In the economic field, the country did little new towards establishing an Islamic order except introducing an interest-free banking system which was criticised by some clergymen as

still usurious.

Early reforms in industry, agricultural land ownership, foreign trade and labour relations were stalled by strong differences between supporters and opponents of government intervention in the economy.

Apart from extensive destruction in five border provinces, the war with Iraq had also devoured up to a half the government revenue, pinching development budgets and causing deterioration of the economic infrastructure.

### Burden

Civil servants and others with fixed incomes were impoverished by a black market largely tolerated by the government which fuelled inflation, driving

the unofficial annual rate to over 50 per cent in 1987.

Government estimates in 1985 put total war damage at more than \$350 billion. The full psychological burden on many who have lost close relatives and the thousands of war invalids are yet to be felt.

Khomeini saw the war, like the revolution which toppled Iran's 2,500-year monarchy, as a divine duty which had to be carried out regardless of the cost.

He often told soldiers they were waging war for God and would go to heaven whether they killed or got killed.

Many thousands heeded his call to arms and, judged by their wills printed in Iranian news-

papers, often embraced "martyrdom" as a gateway to eternal life in paradise.

Khomeini's steadfast defiance of the big powers and his championing of the poor man's cause was a source of inspiration for many deprived people in Iran and other Islamic countries.

### Purges

But his opponents saw him as an obscurantist leader who ruled with an iron first and with the help of the Shiite Muslim clerical hierarchy drove Iran backwards in history.

Soon after Khomeini came to power he ordered revolutionary courts set up to purge major figures of the old regime.



# BUSINESS & FINANCE

OPEC likely to raise output

## Saudi Arabia seeks higher oil prices

### American productivity declines

WASHINGTON, June 4, (AP): The productivity of American workers slipped in the first quarter while unit labour costs shot up more than 6 per cent on an annual basis, the government says in a report analysts cited as proof both of a slowing economy and stubborn inflation.

The Labour Department's revised figures for the first three months of the year, issued Thursday, showed a 1.1 per cent decline in non-farm business productivity at an annual rate, down from the 0.5 per cent gain reported in preliminary first-quarter data issued last month.

Unit labour costs — a key determinant of overall inflation — rose a revised 6.6 per cent on an annual basis in the quarter, said the government, which in the earlier report had pegged the increase at 5.2 per cent.

In other economic data Thursday, the government reported a slim, 0.1 per cent increase in construction spending in April after three straight monthly declines. The improvement in that sector, among those hardest hit by higher interest rates, was attributed largely to work on government projects.

The reports were in line with other data indicating a significant slowdown in the rate of economic expansion in the first quarter followed by somewhat improved growth in the first two months of the second quarter. Analysts expect Friday's unemployment report for May to put a more definitive stamp on second-quarter trends.

"The economy is slowing down but it's certainly not stopping," said chief economist David Wyss of Dr. McGraw-Hill of Lexington, Massachusetts.

The 1.1 per cent decline in productivity compared with a 1 per cent annual gain in the fourth quarter of 1988 and an overall 1988 gain of 1.5 per cent. It was the first decline in productivity since a sharp drop of 2.4 per cent on an annual basis in the second quarter of last year.

### West German jobless rate falls

BONN, June 4, (Reuters): The number of unemployed in West Germany, Europe's largest economy, fell below two million in May for the first time in seven years, Labour Minister Norbert Blum said today.

"We have broken through a barrier in May. Unemployment is under two million again for the first time since October 1982," he told parliament.

Blum said less than 1.95 million people were without work last month in May.

This figure had been confirmed to Blum by the president of the Federal Labour Office, Heinrich Franke, who will officially release the monthly jobless data next Tuesday.

### Rolls-Royce at air show

ROLLS-ROYCE'S major civil and military engine programmes form the centre of the company's display at the Paris Air Show, which opens on Thursday.

The world's most powerful Turbofan, the RB211-524L, launched this year on the McDonnell Douglas MD-11 and the Airbus A330, leads the Civil Engine Display, which also features the RB211-524G delivered for the Boeing 747-400.

The leading military engine on display is the EJ200, now under development for the European Fighter Aircraft. The first development engine has made an "excellent start" to its programme and is being joined by two more engines.

VIENNA, June 4, (Reuters): Saudi Arabia, the world's biggest oil exporter which in the past has struggled to hold down oil prices at moderate levels, now wants the prices to rise.

"Yes, I would like prices to rise," Oil Minister Hisham Nazer told reporters at talks of the Organisation of Petroleum Exporting Countries (OPEC).

Nazer said the Saudis' new strategy was to let market forces decide how high prices will go.

They want OPEC to stop setting a target price, currently \$18 a barrel which is about where the spot or free market is now, and to let prices float — with OPEC keeping a tight enough

choke on supply to ensure that they float higher.

But delegates said it remained an open question whether the OPEC meeting in Vienna would manage to reconcile competing demands among the 13 members to sell more oil within a ceiling on overall supply tight enough to put up prices.

Actual OPEC output exceeds the current ceiling of 18.5 million barrels daily by about 2.5 million.

Iranian Oil Minister Gholamreza Aqazadeh spelled out the problem at a news conference, saying that most ministers thought rising oil demand meant the OPEC ceiling could be raised.

He thought demand could go up at least a million barrels, but said sharing out the extra was the difficult part.

"The increase in the ceiling directly depends on the members' adherence to the quota system. If we raise the ceiling and some of us violate the quota, then prices will go down."

Nazer's statement today followed a recent newspaper interview in which Saudi Arabia's King Fahd said, apparently without disapproving, that prices could hit \$26 by year-end if all OPEC members stuck to their quotas.

Current prices in the 18 to 20 dollar range are already up about 50 per cent from last year. This is due largely to better, if far from total, OPEC supply discipline.

The Saudis could now want a more hawkish pricing policy so they can stop drawing on their accumulated assets to finance budget deficits. Bankers say a Saudi nest egg of up to \$180 billion has been at least halved.

They may also want Iraq and Iran, which need to rebuild their economies after the Gulf war, to raise money from higher oil prices rather than by trying to increase their market share, possibly at Saudi Arabia's expense.

Kuwait has a world-wide refinery network, and is not too worried if crude oil prices stay weak. Its Minister, Sheikh Ali Al Khalifa Al Sabah, uses an argument that the Saudis have put forward in the past — that high oil prices

kill demand.

OPEC ministers are holding bilateral talks this weekend before their full decision-taking conference starts tomorrow.

Iran's Aqazadeh said he would have wished to return home because of the death of Ayatollah Khomeini. His government told him to stay and negotiate, he said.

At the centre of the quota violation problem, UAE Oil Minister Mana Said Al Otaiba on Sunday saw Aqazadeh, Kuwait's Sheikh Ali and OPEC President Rilwanu Lukman of Nigeria.

Aqazadeh would not be drawn when asked whether Iran would insist on any

quota increase being made on a pro rata basis, with no special treatment for countries like the UAE and Kuwait.

Nazer would not comment when asked if he was sticking to a Saudi position, declared before the meeting, that any quota increases should be on a strict pro rata basis.

Conference sources said one proposal in a draft package being worked on was to raise the ceiling by 1.5 to two million barrels daily.

They said one million would be awarded pro rata and the rest used to accommodate those wanting a bigger percentage share of the OPEC volume — the UAE, Kuwait and Gabon.

## Benazir unveils cautious budget

No tax hikes

ISLAMABAD, June 4, (AP): On the eve of her first official visit to the United States, Pakistan's Prime Minister Benazir Bhutto introduced a cautious budget that left defence spending alone, avoided controversial tax hikes and froze government spending.

Pakistan's fledgling economy is struggling to move forward under stringent International Monetary Fund (IMF) guidelines, a \$2-billion deficit and a \$2-billion defence budget, which her finance secretary said was sacrosanct.

"Defence occupies priority number one and there can be no compromise on ensuring that the defence requirements of the country are fully met," Jagan-ul-Haq Piracha said in his budget speech before the National Assembly.

Although Benazir holds the finance portfolio, she handed off the budget speech to Piracha, her secretary of state for finance.

He proposed a budget outlay of \$9.92 billion, an increase of \$8.4 billion over that of the previous year, but which, adjusted for 11 per cent inflation, represents a reduction in real terms.

The minister projected an overall deficit of \$3.7 billion, \$3.2 billion of which would be financed through internal and external borrowing, about \$190 million through bank borrowing and about \$280 million through new taxes.

The IMF has asked Pakistan, which has a foreign debt of \$13 billion, to reduce the budget deficit to at least 6 per cent of its gross national product during

the 1989-90 fiscal year.

Announcing what he said was the "austerity budget," Piracha said that "One option was to go easy on everything and postpone the inevitable, the other was to impose harsh taxes."

"But we chose a middle course, a third option. We restrained expenditure and increased incomes moderately," the minister said in an address broadcast on radio and television.

Piracha said the new measures included heavy taxes on luxury cars and houses, moves apparently aimed at the large number of wealthy Pakistanis who evade direct taxes.

Travellers and smokers will pay more for their airline tickets and cigarettes under Pakistan's \$10-billion budget. Residents of the nation's capital, who have until now been exempt from property taxes, will start paying.

Piracha promised a personal income tax system will be developed over the next year with assistance from "foreign experts." Only about one million people pay taxes in a country of 107 million.

Privatisation and the private sector were emphasised. Piracha said the Benazir government hoped to propel the economy forward on the initiative of the private sector, with assistance from the federal government.

The assistance is to come in the form of tax breaks for critical industries, such as cotton and sugar.

The budget called for greater exports, which began to show an

increase this year after an abysmal one per cent hike last year. This compared to a 14 per cent jump in imports.

While the budget froze government spending, more money has been pledged for items such as narcotics control, which went from \$800,000 to one million and police which went from \$1.3 billion to \$1.5 billion.

This is Benazir's second budget since taking power, but the first was inherited from a caretaker government appointed by her archrival — the late Gen. Mohammad Zia-ul-Haq. Zia died in a mysterious plane crash last August paving the way for the first free elections in more than a decade and the election of Bhutto's Populist Pakistan People's Party.

Since taking power Benazir has tiptoed around the country's military. She has not touched defence spending which now accounts for 37 per cent of the budget.

With Benazir's trip to the United States coming on the heels of the budget, there were fears that the headline Islamic right opposition would organise protest demonstrations around the budget.

It was during Benazir's travels to China last February that a demonstration was organised to protest against Salman Rushdie's book, "The Satanic Verses," and six people were killed. The book was banned in Pakistan and Bhutto charged her political opponents used the novel, considered offensive to Muslims, to instigate trouble.

China's foreign reserves down

## HK stocks seen reflecting Peking bloodshed

HONG KONG, June 4, (Reuters): Stockbrokers predict the bloodshed in Peking will send the Hong Kong stockmarket into another tailspin this week but today no-one would forecast how far it would plunge.

"The mere threat of violence sent it wild I don't want to predict the downside now," said a broker at a local securities house.

"We could see 300, 400, 500 points, I don't know, there's no bottom," he said.

Hong Kong's main stock indicator has plunged 602.28 points, a tumble of 18.38 per cent, since May 18, the last stable trading day before martial law was declared in parts of Peking on May 20.

The Hang Seng index closed at 2,649.17 on Friday, a 3.26 per cent fall over the week.

Wild swings of more than 300 points in a single day in the last fortnight have given a new meaning to volatility in a market known for its sensitivity to political events in China.

On Monday May 22, first trading day after the martial law declaration, stocks plunged 10.8 per cent, shedding 33,906 points.

However the Hong Kong dollar's peg of 7.8 to the US dollar held.

Seeing the Chinese Army crush the democracy movement with tanks, bullets and bayonets brought fears about the future sharply into focus, brokers said. In 1997, China resumes sovereignty of Hong Kong from Britain.

Even before soldiers opened fire in Peking, brokers had predicted a slide of a couple of hundred points in the coming week.

Violence made the prospect even gloomier, brokers said.

Hong Kong's booming economy is so closely tied to China's that the slightest ripple from across the border tends to be magnified in the Hang Seng index.

Since 1983 when the government pegged the Hong Kong dollar to its US counterpart, in part to stop it being affected by every China-related jitter, Hong Kong's stock market has borne the full brunt.

About 98 per cent of Hong Kong's citizens are Chinese — 35 per cent were born there.

"The mentality of 'today Beijing (Peking), tomorrow Hong Kong' is prevailing," said Barry Yates, research director of First Pacific Securities.

Many Hong Kong people fear today's killings show that the hardliners are determined to show they are in control and they may be just as uncompromising towards China's economic difficulties as they have been to political challenges.

"There is a fear China will slip on an economic straightjacket," Yates said.

China's foreign reserves are down and state industries are losing money, which imply recent economic austerity measures are not working, Yates said.

"The question now is will China slam its open door shut or will it leave it slightly ajar?" he asked.

Either way the implications for Hong Kong's booming economy are grim.

China is tiny Hong Kong's most important trade partner.

## KD deposit rates ease in quiet trading

KUWAIT, June 4, (Reuters): Kuwaiti deposit rates eased in quiet trading today after a single bank entered the market offering six month funds at a low nine per cent, dealers said.

The move sent rates falling across the board, they added.

The Central Bank announced it was offering 30 million dinars (\$103 million) this week in one-year treasury bonds, its first bond offering in nearly six months.

It was also offering 100 million dinars (\$345 million) in 91-day treasury bills.

But dealers said the announcement had little effect on deposit rates.

Overnight traded at 11 per cent compared to 11-3/4 on Thursday, the last trading day in the Gulf. Tomorrow next, spot and one-week based around one point to a uniform 10-1/2-9-1/2.

In fixed deposits, one month fell 3/4 points to 9-7/8-3/8. Three months fell 3/8 points to 9-1/2-1/2. Six months and one year fell 1/4 point to 9-3/8-8-7/8. Trades were reported in one month at 9-5/8 and six months at nine.

The Central Bank adjusted its dollar to dollar exchange rate to 0.29419/29 from 0.29644/54 on Thursday.

Meanwhile, Saudi riyal inter-bank deposits were marked down on the back of declines in European rates, but trade was thin in a typical trend for the European weekend.

The one-month was little changed at 9-1/2-3/8 per cent, but dealers said other fixed period rates eased by up to 1/4 point in response to falls in dollar interest rates on Friday prompted by a lower than expected gain in US May employment figures.

## Debt tops Argentina's foreign policy agenda

Credit rating down

BUENOS AIRES, June 4, (Reuters): President-elect Carlos Menem has made a surprise choice of an economist to be foreign minister, indicating Argentina's \$60 billion external debt will top his foreign policy agenda.

The appointment of Domingo Cavallo, 43, a Harvard-trained former central bank president, shows Menem will seek to improve relations with commercial partners and creditors, Argentina's two leading newspapers, La Nacion and Clarin, said today.

Menem, whose Peronist Movement crushed the ruling Radical Party in May 14 elections, named key cabinet members of Friday at the end of a week of food riots fuelled by hyperinflation in which at least 15 people were killed.

Consumer prices rose by at least 70 per cent during May, according to official sources, and June inflation is seen topping 100 per cent.

Menem denied that the hastily-called news conference at which he announced part of his cabinet was an indication that he

would take over from President Raul Alfonsín ahead of the official date of December 10.

"I myself was a little surprised," Domingo Cavallo, a party outsider elected to Congress on a Peronist ticket in 1987, told La Nacion.

Cavallo, who last week unveiled the guidelines of his own anti-inflation programme, had been tipped to return to the central bank, over which he presided in 1982 under military rule. He said Menem's decision was so recent he could not go into details about his future policy or about his team.

Argentina stopped servicing most of its \$60 billion foreign debt in April 1988 and a Buenos Aires-based foreign banker said on Friday US regulators may have downgraded the country's credit status to "value-impaired."

Such a rating would force US banks to set aside substantial provisions for bad Argentine debts, making it more difficult for the cash-starved country to obtain fresh funds.

Cavallo said his appointment meant Menem will want the

Foreign Ministry to promote investments, develop foreign trade and raise Argentina's international economic profile.

He said debt negotiations, stalled since February, would remain the Economy Ministry's responsibility but added that he would back economy minister-designate Miguel Rong's efforts.

Rong, a former top executive of the Argentine multinational commodities company Bunge y Born, is a party outsider himself. In the Foreign Ministry Cavallo will be assisted by a diplomat, Archibaldo Lanus, 51, as foreign affairs secretary. Lanus, a lawyer who took post-graduate courses in France, has held various posts in international agencies.

Argentina, torn by political turmoil and riots over runaway inflation, has been declared value-impaired by US banking regulators who have lowered its credit rating, a foreign banker here said today.

The banker, who asked not to be identified, told Reuters he had received the news late on Friday from his bank's US headquarters.

AMMAN			KUWAIT						
	OPNG	CLSG		P.CLS	LT	HIGH	LOW	VOL	TRAD
ALA-ADDIN COMPANY	2.29	2.26	NATIONAL BANK	0.970	0.970	0.970	0.970	285000	1
ARAB ALUMINUM IND.	2.15	2.15	-GULF BANK	0.360	0.360	0.360	0.360	150000	
ARAB BANK	149.5149.0		-COMMERCIAL BK	0.260	0.260	0.260	0.260	4000	
ARAB CHEMICAL DTER	4.55	4.60	-AHLI BANK	0.315	0.315	.315	0.315	20000	
ARAB FINANCE CORP.	1.71	1.71	-B.K.M.E	0.325					
ARAB INSURANCE	1.05	1.02	-K.R.E.B.	0.330	0.335	0.335	0.335	680000	
ARAB INT. INV/TRAD.	0.60	0.60	-BURGAN BANK	0.260	0.260	0.260	0.260	110000	
ARAB INT. UNION IMS	1.11	1.16	-K.F.HOUSE	0.475					
ARAB INTER. HOTELS	1.26	1.27	INVESTMENT SECTOR						
ARAB JOR/INVEST/BK	2.37	2.37	-KMT INV. CO.	0.097					
ARAB PAPER COM/TRD	0.35	0.35	-K.F.T.C.I.C.	0.210					
ARAB PHARMA. MANF.	3.50	3.57	-K.T.I.C.	0.066					
ARAB PHARMA/CHEN	1.43	1.50	-CON. FACILITIES	0.420					
ARAB POTASH CO.	---	---	-AHILAH INV.	0.000					
ARABIAN SEAS INS.	1.65	1.65	-I.F.A.	0.343					
BANK OF JORDAN	15.20	15.40	-INV. PEARL KWT	0.087					
BEIT AL-MAL/BEITNA	1.05	1.03	-NATIONAL INV.	0.070					
BELGIUM INSURANCE	1.00	0.95	-KMT PROJECTS.	0.082	0.083	0.083	0.082	400000	
CAIRO AMMAN BANK	30.50	30.00	INSURANCE SECTOR						
CONFECT/CHOCOLATE	1.05	1.25	-KUT INSURANCE	0.570					
DAR AL SHAAB PRESS	0.28	0.28	-GULF INSURANCE	0.320					
DAR ALDAMA DV/INV.	2.55	2.57	-AHILIA INS. CO.	0.480					
DARCO INVEST/HOUS.	0.79	0.80	-VARBA INS. CO.	0.365					
FINANCE/CREDIT/COB	0.75	0.71	REAL EST SECTOR						
GARAGE OWNERS OFF	4.60	4.60	-KMT R.EST. CO.	0.132					
GENERAL INSURANCE	2.39	2.63	-UNI R.EST. CO.	0.055					
GENERAL INVESTMENT	1.27	1.25	-NAT R.EST. CO.	0.180					
GENERAL MINING	2.10	2.10	-SABAH C.E.	0.080					
HIMMEH MINERALS	0.75	0.75	-KMT R.E.T. CON	0.000					
HOLY LAND INS.	1.44	1.44							
IND./MATCH JEMCO	0.85	0.84	INDUSTRY SECTOR						
INDSTRL DEVLPT BKK	1.70	1.70	-NAT IND. CO.	0.500					
INDSTRL/COM/AGR.	1.73	1.74	-KWT M.P. IND.	0.300					
INDUSTRIAL INVEST.	0.75	0.75	-KWT CEMENT CO.	0.170					
INTERN. COM/INV.	0.13	0.13	-REF. IND. CO.	0.385					
IRBID ELECTRICITY	0.90	0.85	-N.A.M.T.CO.	0.000					
ISLAMIC INV. HOUSE	0.64	0.64	-GULF CABLE	0.970					
ITERMED/PETRI/CH	2.15	2.15	-K.P.H. IND. CO.	0.166					
J. TOUR. SP. COMPLEX	0.79	0.80	-CONT. MARINE	0.280					
JERUSALEM INS.	1.26	1.29	-K. S. K. B. CO.	0.045					
JO TOBACCO/CIGARET	19.50	19.50	SERVICES SECTOR						
JOR CERAMIC FACTOR.	2.08	2.06	-OVERLAND TRANS	0.082					
JOR EAGLE INS.	25.05	25.05	-K.N.C. CO.	0.180					
JOR ELECTRIC POWER	1.48	1.50	-KUT HOTELS CO.	0.000					
JOR FINANCE HOUSE	1.20	1.22	-P.WAREHOUSING	0.138	0.138	0.138	0.138	80000	
JOR GLASS INDUSTRY	1.03	1.00	-COM.MKT. CHMY.	0.081	0.081	0.081	0.081	180000	
JOR HOTEL TOURISM	2.30	2.18	-MOBILE TELF.	0.305	0.305	0.305	0.305	30000	
JOR INDUSTRY CHEM.	2.58	2.50	-KUT COMPUTER	0.168					
JOR INS AND FIN.	1.20	1.20	FOOD SECTOR						
JOR LEASING CORP.	0.79	0.83	-LIVESTOCK T.T.	0.150					
JOR LIM BRICK	0.18	0.17	-UNTO FISHERIES	0.150					
JOR MANAG/CONSULT	0.50	0.50	-UNTO POULTRY	0.230					
JOR NATIONAL BANK	2.46	2.46	-KUT FOODS	0.290	0.290	0.290	0.290	10000	
JOR PAPER CARDBROG	3.70	3.70	-AGRT. FOOD PRD.	0.150					
JOR PHOSPHATE MINS	3.90	3.90	NON-KWT SECTOR						
JOR PIPES MANUFACT	2.24	2.27	-BIN. INTER. BK	0.063					
JOP PRESS/PUBLISN.	1.79	1.72	-BIN.H.M.EAST. BK	0.047					
JOR PRINTING/PACK.	4.25	4.25	-COAST INVEST.	0.082	0.082	0.082	0.082	280000	
JOR ROCK WOOL IND.	1.05	1.07	-A.G. INV. GROB.	0.031					
JOR SECURIT CORP	1.12	1.11	-FIRST. GULF BK	0.550					
JOR SELPHO CHEM.	2.06	2.02	-BIN. KJW. GROB	0.078					
JOR WOOD INDUSTRY	2.37	2.41	-GULF MEDICAL.	0.032					
JOR WORSTED MLL	4.70	4.85	KUWAIT STOCK EXCHANGE						
JOR. KUWAIT AGR	0.91	0.91	COMPANIES LISTED ON THE PARALLEL			MARKET			
JOR. PETROLIUM REF	7.81	7.80	FINANCIAL SECTOR	P.CLS	LT	HIGH	LOW	VOL	TRAD
JOR. FRENCH INS.	5.45	5.45	-GULF INTL INS	0.000					
JOP. INV. FIN. CORP	2.49	2.50	-ARAB INTL CO	0.000					
JORADAN GULF REAL	0.34	0.34	-SHARJAH INS	0.000					
JORDAN DAIRY	1.09	1.09	-GULF UNION INS	0.000					
JORDAN GULF BANK	1.18	1.17	-R.K. WHITE CMT	0.000					
JORDAN GULF INS.	0.94	0.95	-A.JMAN CEMENT.	0.000					
JORDAN INSURANCE	3.25	3.32	INDUSTRIAL SECTOR						
JORDAN ISLAMIC BAK	2.00	2.05	-B-FUJAJIRAH CENT	0.000					
JORDAN KUWAIT BANK	1.45	1.43	-C-SHARJAH CEMENT	0.070					
JORDAN TANNING	2.06	1.96	-D-GULF CEMENT	0.070					



# BUSINESS SURVEY ON KUWAIT

AN ARAB TIMES SPECIAL SUPPLEMENT ON ECONOMY, BANKING AND INVESTMENT

Economy gathers pace

## Poised for an upturn

By M. C. Bose  
Business Editor, Arab Times

KUWAIT'S Minister of Commerce and Industry has said the Kuwait Stock Exchange endeavours to create an appropriate system in the field of securities trading for investors and dealers alike, in order to change the form of their wealth through the listing of shareholding companies that meet the conditions set by the Kuwait Stock Exchange committee.

Faisal Al Khalid said the parallel market was set up in 1985 to accommodate the Gulf companies which could not meet the listing requirements of the official market.

However, on following-up the positions of the mentioned companies over the previous years, it has been noticed that some of them have accomplished good financial results while others have failed to perform as well. Therefore, the Kuwait Stock Exchange committee has decided to stop trading in the parallel market, which took place effectively from the end of December 1988, and at the same time re-list the companies that proved to be of good financial position in the official market.

Al Khalid said these measures are considered as a preliminary step towards prescribing new stipulations and conditions for this market, and then to call all the companies meeting such conditions to be listed therein. These stipulations and conditions were discussed, and approved by the committee in its last meeting. Such conditions which are flexible enough, have stipulated among other things, a minimum capital amount of KD1,000,000 for any company to be eligible for listing in the stock exchange.

The minister said as regards the impact of introducing the parallel market on the Kuwait economy, undoubtedly it will give an opportunity to a great



Faisal Al Khalid

number of Kuwaiti shareholding companies registered in the Ministry of Commerce and Industry, and the Gulf companies with Kuwaiti shareholders, to be listed therein, plus supporting the positions of the respective investors through the disclosure of the financial information of such companies which in turn will support their role in serving the Kuwaiti economic activity.

Al Khalid told the Arab Times in an exclusive interview that stock exchange is considered to be one of the major economic institutions in the state, that reflects the internal as well as external economic developments.

"Although the stock exchange witnessed some recession in the previous years due to some important international and regional events such as the Iraq-Iran war, the fluctuations in the oil prices, stock market crash, yet it will witness an acceleration in its activities which will undoubtedly be reflected in an increase in the prices of its traded shares, as most reasons whether economic or political which had adversely affected its performance in the past, no more exist."

"The Iraqi-Iranian war has come to an end and the oil prices have become more stable, the thing which will no doubt result in an increase in the government expenditure being the main

propeller of the Kuwait economic activity," Al Khalid added.

He also said the government encouragement and support to the private sector will undoubtedly have a marked effect on the acceleration of economic activity, especially in the light of the re-construction movement expected to take place in Iraq and Iran is set to attract many of the economic institutions from the private sector for financing, constructing or servicing purposes.

The minister said the international détente policy, the features of which began to appear since the beginning of this year, the agreement among the seven major industrial nations to co-ordinate their economic as well as monetary policies, and the present tendency in most countries to sell their shares to the private sector will also give fillip to this sector and create many shareholding companies, thus giving birth to a new era of economic prosperity.

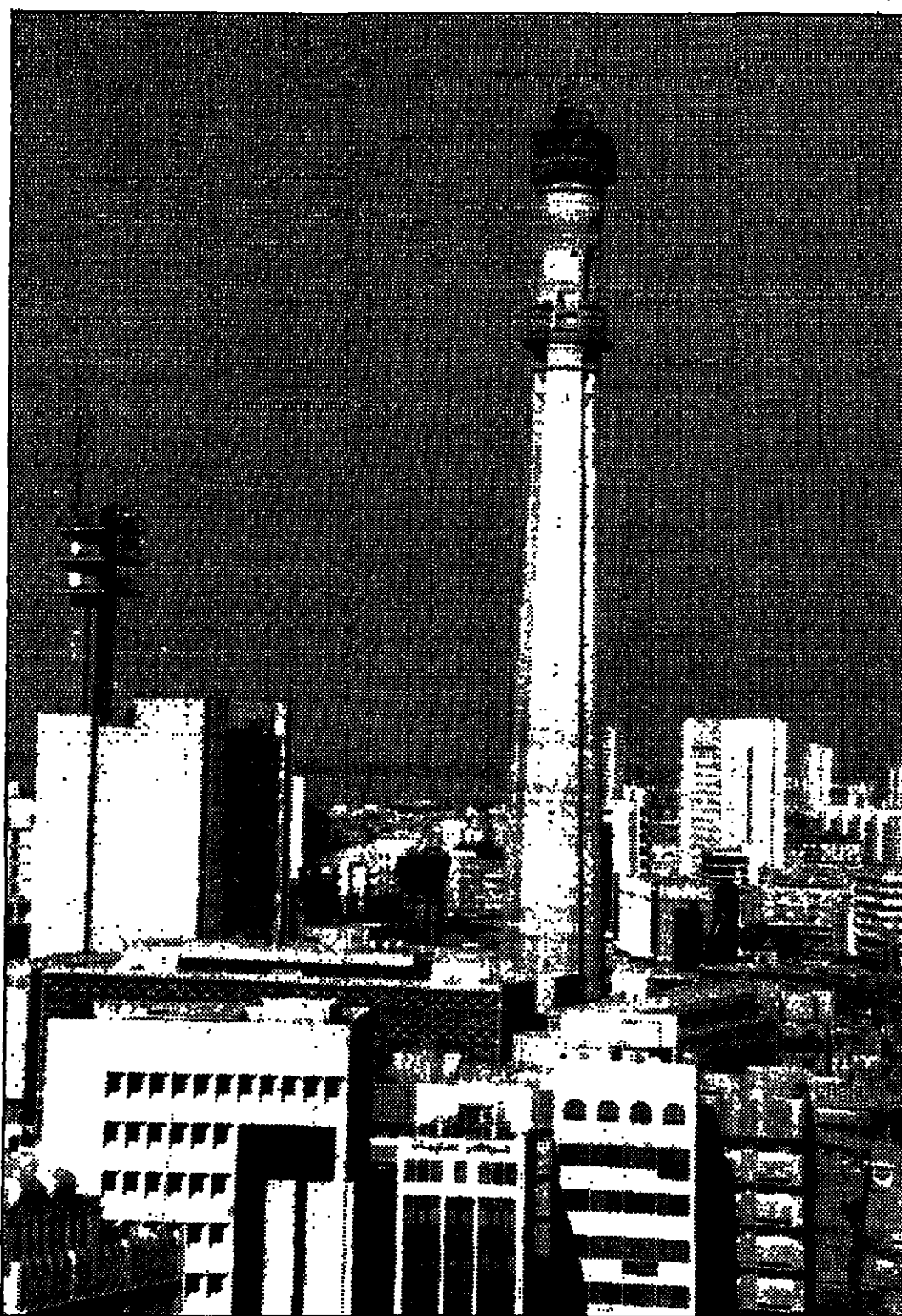
"Such development will encourage the stock exchange prosperity by attracting the expected returns and converting it into new economic projects, thus reinforcing the production capacity. Apparently the KSE itself will not be out of the picture," Al Khalid added.

The amendment of the Commercial Act, and the issuance of the law regarding the setting up of the investment and the real estate funds, will definitely foster the stock exchange role in serving the Kuwaiti economic activity and contribute in opening new investment outlets for the capital funds owners.

"The government is keen to create a convenient investment atmosphere to attract the national savings and direct it towards investments in the local business," he said.

Al Khalid said, "Our new policy direction would be to redress the problems of all the

Continued on page 15



Kuwait's new telecommunications tower rises above Safat City

Optimism justified

## Kuwait economy on stable growth path

By M. C. Bose

THE government of Kuwait has drawn clear programmes for resolving the recession and combating other obstacles facing various economic sectors.

Mohamed Abdul Mohsin Al Khorafi, chairman of the National Bank of Kuwait said the government took a number of measures in the last two years that will help put the country's economy on a stable growth path. These measures include:

■ Stabilising government expenditures and isolating them from the fluctuations of international oil prices. Thus, the 1987-88 closing accounts show total public expenditure to be KD2,806 million, only two per cent lower than 1986/87.

Total revenues in the same fiscal year were KD2,252 million. Preliminary figures for 1988/89 show total expenditures to be 8.4 per cent above the corresponding period in the 1987/88 fiscal year.

■ Implementing a public debt programme that provides the government with an alternative source of revenues, thus putting it in a position of pursuing a stable fiscal policy and giving the monetary authorities an effective monetary instrument to control domestic liquidity and fine-tune the economy. When this programme started in late 1987, the Central Bank was authorised to issue KD1,400 million in bonds and bills. In March 1989, the ceiling was raised to KD3,000 million. The programme was very well received by local banks and financial institutions and the bonds and bills issued under it were consistently oversubscribed.

■ Overhauling the interest rate structure in a way that increased the Central Bank's effectiveness in influencing economic growth. The new structure raised interest rates on both deposits and loans and tied them both to the dis-



Mohamed Al Khorafi

count rate set by the Central Bank, thus making it easier for the Central Bank to change these rates in a way that best suits prevailing economic conditions. ■ Introducing changes in the stock exchange regulations to facilitate its intermediary function between savers and investors, like allowing listed companies to buy 10 per cent of their shares, share splitting to expand the market base, and initiating a study about setting up mutual funds made up of shares of local companies and real estate holdings.

Implementing the Debt Settlement Programme, which streamlines local banks handling non-performing loans, thus putting them in a better position to respond to changes in their economic environment.

In an exclusive interview with the Arab Times, Khorafi said: "Optimism about the Kuwaiti economy in 1989 is justified by the sharp rise in oil prices in the last few months, the end of the Gulf war, and the above-mentioned economic measures taken by the government to reactivate the economy and put it on a stable growth path."

(Continued on Page 18)

Banker sets priorities

## Plans to narrow fiscal deficit

By M. C. Bose

Kuwaiti commercial banks: results, 1987-88

(KD million)

	Total assets	Loans	Deposits	Shareholders' equity	Net profit	RoAA <sup>2</sup> (%)	RoAE <sup>3</sup> (%)
National Bank of Kuwait	3,476 3,017	1,554 1,317	3,102 2,653	256 236	30.9 26.7	0.95 0.88	12.55 11.76
Gulf Bank	1,897 1,838	930 914	1,698 1,237	197 192	9.7 9.0	0.52 0.49	4.99 5.10
Commercial Bank of Kuwait	1,786 1,721	1,143 1,078	1,628 1,564	156 153	5.2 4.6	0.30 0.28	3.37 3.26
Al Ahli Bank of Kuwait	1,753 1,605	1,046 970	1,596 1,449	141 139	4.3 5.1	0.26 0.33	3.07 3.26
Burgan Bank	1,265 1,196	613 623	1,101 1,033	161 158	6.1 5.5	0.49 0.49	3.81 3.49
Bank of Kuwait & the Middle East	1,063 1,024	636 608	na na	127 124	6.4 5.8	0.61 0.63	5.10 5.62

na = not available

1987 results in italics

<sup>2</sup>Includes demand and time deposits, and other accounts, including contingents

<sup>3</sup>Return on average assets (calculated from net profit)

<sup>4</sup>Return on average equity (calculated from net profit)

Exchange rate \$1 = KD0.2908 (April 1989)

Source: bank reports

mance in all banks' services in general.

Al Nahedh said no doubt the balance sheets of banks have shown better results in 1988 compared to 1987. By the end of 1988 almost all technical aspects of the Difficult Settlement Programme have been achieved. For the time being there are fresh views and suggestions to solve the debt problem, and some of these views are already known. Such views have boosted confidence in the Kuwaiti economy in general and the banking sector in particular.

Consequently, banks will be positively affected and operations will be enhanced. Moreover, the increase in oil prices at the beginning of 1989 will be positively reflected in the rate of growth of the domestic economy, and the role of the banking sector will be direct and comprehensive in financing the productive sectors of the economy during the coming period.

All banks in 1988 announced improved results compared to 1987. For the six commercial banks for example, total assets for 1988 amounted to KD11.24 billion compared to KD10.4 billion in 1987 reflecting an increase of 8 per cent.

As for net profits the same banks reported a total profit of KD62.6 million compared to KD56.7 million, or an increase of 10.4 per cent. Shareholders' equity growth was also around 3.6 per cent increasing from

KD1002 million in 1987 to KD1038 million in 1988.

The bank chairman said political as well as local, regional and international economic factors were behind the success of the banking sector.

Politically the ceasefire between Iraq and Iran created stable political situation in the Gulf region. The success of the Difficult Credit Settlement Programme boosted confidence in the Kuwait market and enhanced economic activities in general. The increase of oil prices in the international market has positively affected economic activities in general, and the banking sector began to play a more active role in financing such activities. Thus total performance of banks has been improved and expected to improve in the future.

After the ceasefire, the wave of optimism was reflected in the set up and implementation of new projects both locally and regionally. If the ceasefire holds, and "I am optimistic that it will hold, the outlook will become more optimistic, and a new era of economic progress and real growth will be realised during the 1990s."

The bank chairman said the Kuwait authorities are determined to reactivate the whole economy by re-evaluating and making structural changes in the various productive sectors. For example, re-evaluation of the financial sector and the real estate

sector is part of a general assessment of the whole economy.

"Changes in Kuwait's financial markets will be basically in the stock exchange. The exchange authorities have agreed to introduce mutual funds to encourage more investment in shares. The parallel stock market will also be revived. Around 400 companies with capital less than KD1 million will be given the chance to get a listing."

He said it's worth saying too that the completion of the Central Bank's Difficult Credit Settlement Programme, were crucial in the process of reactivating the Kuwaiti economy.

A long-term strategic plan prepared by the Massachusetts Institute of Technology (MIT) calls for developing Kuwait as an international capital centre. The report suggests the privatisation of companies controlled by the Kuwait Investment Authority, (KIP) the encouragement of foreign participation and the removal of all impediments to expand banks' activities.

Public works projects will provide additional impetus to growth as well. Government policy-makers will attempt to fine-tune the economic expansion through a gradual reduction in the fiscal deficit, cautious monetary expansion, and recapitalisation of the banking

(Continued on page 16)

If you think 24 pin print heads are the best for you, **THINK AGAIN.**



Advantages of Bull 9 Pin head with new technology

- Longer Print Head Life
  - Higher Printer Reliability (6000 hrs.)
  - Multi-Copy Printing
  - Low Noise
- All this plus letter quality printing in both English and Arabic.



Computer Business Solutions

شركة حمد عبدالله العيسى وأولاده ذ.م.م.  
HAMAD ABDULLA AL - ESSA & SONS CO.  
Tel: 2406801 - 2406802 - 2423406 - 2437145  
Fax: 2450176 - 2402283



Kuwait GDP to get a boost

## Overseas investment generates inflows

By M. C. Bose

THERE has been an upbeat mood in the Gulf region particularly in Kuwait after the declaration of the ceasefire between Iraq and Iran which promises to help create an increasingly stable environment in the region. By itself, this will boost business confidence and promote economic expansion, according to a leading Kuwaiti banker.

The Chairman and Managing director of Kuwait's Burgan Bank Ahmed Abdullah Al Sabah told the Arab Times in an exclusive interview that the other major variable, of course, is the world oil market. The Gulf region produces over 12 million barrels of oil every day. This is about two-thirds of total OPEC supply. If the price of a barrel of oil increases by \$1, the region's exports earnings increase by nearly \$4 1/2 billion. For Kuwait, with its 1.037 million barrel-per-day OPEC quota, \$1 on the price boosts export revenues by nearly \$400 million a year.

Al Ahmed said over the next months and years, strengthening demand for energy as the world economy grows will underpin oil prices. This will add to the Gulf's income and naturally contribute towards a better economic environment.

A higher level of optimism is aptly justified for 1989, particularly in the banking sector. Most of the banks in Kuwait have declared assets and profit growth and total performance of the banking sector appears to be better compared to the last two years.

## Stable

Al Ahmed said the Kuwaiti markets remained stable throughout 1988. Interbank interest rates were very low at the start of the year, which helped the government's new Treasury bills and bonds.

Interest rates rose in the second half of the year, mainly reflecting pressures from higher interest rates world-wide.

The dinar was steady all through 1988, trading in a range of between 270 and 290 fils to the dollar. Activity in the bond market was uneven, while the



Ahmed Abdullah  
Al Sabah

stock exchange received a welcome push from regulatory improvements in May, and the ceasefire in July.

The chairman said the Kuwaiti economy should be helped by the reconstruction needs of Iraq and Iran. "We are in a position to develop our role as the major Gulf entrepot to Iraq in particular. The extra demand for exports from Kuwait should provide a substantial boost to GDP."

He added the improving economic environment should result in higher pace of transactions at the banks. It should lead to buoyant demand for credit and trade finance. In addition, with the difficult credit facilities settlement programme well underway, bankers and clients alike are now much more free to concentrate on expanding their own businesses.

As a point of interest, Burgan Bank has authenticated all of its cases in the settlement programme. "We have less than 15 per cent of the total of the difficult credit facilities subject to the programme, which reflects approximately our market share in the Kuwaiti banking system as a whole," Al Ahmed said.

## Innovative

Burgan Bank's profits increased by a sound 11.5 per cent to KD 6.13 million during 1988. Total balance sheet footings rose by 3.9 per cent to KD 1,339.6 million, while off-balance sheet business expanded by a strong 8.3 per cent to KD 74.6 million.

End of Period	M1		M2		M2		Deposits in FC
	KD + FC	% Change	KD + FC	% Change	KD only	% Change	
1983	1128.2	-6.0	4382.4		3785.0		597.4
1984	913.9	-19.0	4496.9		3779.1	-0.2	717.8
1985	893.6	-2.2	4448.2		3891.0	3.0	557.2
1986	921.9	3.2	4561.8		3912.8	0.6	649.0
1987	975.2	5.8	4774.0		3790.7	-3.1	983.3
1988	932.1	-4.5	5032.5		3728.4	-1.5	1304.1
Q1	932.8	4.5	4909.3		3935.2	3.8	974.1
Q2	969.7	4.0	4820.0		3797.7	-3.5	1022.3
Q3	943.0	-2.8	4798.4		3685.3	-2.8	1113.1
Q4	892.1	-5.4	5091.8		3787.7	2.8	1304.1
JAN/1989	860.8	-3.5	5163.4		3880.9	2.5	1282.5
JAN/1988	951.7	10.6	4831.6		3830.5	-1.3	1001.1

\* M1 means money in circulation with the public + sight deposits (private in KD) - Source: NBK

We have increased our dividend to 9 per cent, with 4 per cent in cash and 5 per cent in bonus shares. I believe that these are particularly good results considering that 1988 was a difficult year for the banking community as a whole," he added.

Al Ahmed said at home "we are planning to open several new branches and introduce a number of innovative new products to serve the local community. In addition, we will expand the range of our international activities. We will continue to search for profitable investment opportunities world-wide, to diversify our portfolio, and generally to enhance the quality of our business."

"We are also investing heavily in the future of Kuwait. Our management trainee programme continues to set the standard for all financial institutions in Kuwait. Within the next four years, we hope to raise the proportion of Kuwaiti employees to one-half of the bank's total manpower."

Turning to the Kuwait stock market, the chairman said introducing a parallel stock market will provide more opportunities for issuing and trading shares at lower cost and with reduced paperwork can only boost activity in the stock market, provided that regulatory controls remain effective.

He said that Kuwait has built up a reputation as one of the region's most sophisticated international investors and there is no doubt that Kuwait has used

its public sector income sensibly. The investment of its fiscal surpluses has already produced a level of investment income that rivals oil revenues.

While other oil producers have held their reserves in short-term liquid assets, such as bank deposits and treasury paper, Kuwait has invested part of its financial reserves in international real estate and equities which produce longer-term growth and income.

Al Ahmed said the money that the government has invested abroad reflects the surplus of oil revenues over spending needs.

In foreign currency terms, any outflow of investment funds is matched by an inflow of dollars from sales of oil. In these terms, the re-investment of oil revenues abroad does not create an outflow from the dinar.

However, interest and capital gains from State investments overseas generate foreign currency earnings. Thus, you could say that investment abroad generates inflows.

## Expertise

Foreign business can provide specialisation and expertise in areas not yet developed in Kuwait.

There are obvious superficial attractions to protecting local industry and commerce, but the controlled entry of foreign firms is of benefit. There are opportunities in the local market which local traders may not recognise,

but which outsiders might be ready to attempt to meet.

He said the new companies would introduce new skills, new capital, and new competition. This would encourage local firms to enhance their efficiency and to offer a better service to their customers. "It would benefit the consumer - we are all consumers. It would increase employment. The level of skills among Kuwaitis would increase, enabling them to compete more successfully in world markets."

"Profit margins might be trimmed in the short run, but only because the competition would effect a transfer from supplier to consumer."

Moreover, in the longer-term the improved efficiency would produce higher profits than would otherwise be expected, and any profits earned by foreign firms could, of course, be sensibly taxed to increase the government's diversification from oil revenues, Al Ahmed added.

Asked whether he thinks that Kuwait still need good infrastructure projects - more housing etc, he said the population of Kuwait has one of the fastest growth rates in the world, so there is undoubtedly still demand for good infrastructure projects.

Over the coming years, Kuwait will continue to expand its housing stock. There is a natural concomitant need to build new mosques, shops, schools and so on, and to supply them with communications, power, and water.

Policy switch urged

## Which route now for investors?

By M. C. Bose

WELL-KNOWN Kuwaiti economist Jassem Al Saadoun predicted no change in Kuwait's budget for the next fiscal year.

The 1989/90 budget will not be different from the current budget and similarly the budget for the subsequent year will remain the same as long as international oil situations remain unchanged," the economist said.

Continuing he said that in comparison with other countries in the region, Kuwait is certainly at the forefront in dealing with its foreign investments. But, he said, that the region is still "backward" in their foreign investments policy and Kuwait should not be complacent with this comparison. He emphasised that in absolute logical comparison, Kuwait needs an entirely different foreign investment policy.

In an exclusive interview with the Arab Times, Saadoun said that till now, foreign investments are being dealt with as surplus money invested with the aim to provide reasonable returns under acceptable risks. This is true but only for individual investors and companies having financial surplus. For states, the policy of managing investments should be different.

Surplus money should be invested in a way to provide more progress and should be linked with the process of internal development. Concentration should be paid to training and qualifying the human resources.

In this context, he added, there is no harm in providing the local banks with a role in the management of these investments but there should be frequent revision and checking if this is adopted.

## Change

Al Saadoun said that a definite psychological, political and economic change has taken place in the region after the ceasefire in the Iraq-Iran war. But he added that in order to make this change remarkable and effective, there must be an essential change in the internal policies to deal with the new developments.

He added that this requires more time, more wisdom and more stability in the oil market which can be achieved when OPEC members respect their agreements. "Till now no change



Jassem Al Saadoun

or at least an intention for change has been taken in the internal policies to deal with oil more wisely," Saadoun emphasised. Until this happens, the change will be its minimum level, as I have said immediately after the ceasefire, Al Saadoun added.

He praised the move to introduce a parallel stock market, but said he prefers to call it a second stock market. He said that the move is good provided it is utilised in the best way. He added that if way is given to small promising companies to enter the proposed market, it will certainly help create many good small companies. This market could also become a centre for creating big and productive companies managed by experienced personnel.

Perhaps, this would be the true birth of a financial market which will be truly linked with the developmental process. But, Al Saadoun stressed, if the market is used socially and politically to register weak companies, the move will neither be good nor promising.

Replying to a question about government programme to solve the difficult loans crisis, Saadoun said that in the beginning it was supposed to define the problem, know its size and see whether it can be solved or not and at what cost. He said that the difficult loans crisis, shouldn't have taken this size. The problem is simply between a creditor and a debtor unable to pay. This problem should have been solved by dividing the debtors into categories according to their abilities and how much they were affected and the problem of each category should have been solved separately in different

ways. It is illogical to engage all sectors with 50,000 cases for periods ranging from 10-15 years to deal with a financial problem worth KD100 million.

The category of big debtors must be strictly scrutinised first and their actual financial status checked before accepting their statements.

Al Saadoun added that "I believe that the government had long ago bought the difficult loans after it guaranteed the rights of both bank shareholder and deposits on December 31, 1985."

## Performance

Saadoun added that the local banks are certainly trying to improve their performance after passing through the difficult years after the crisis when they didn't know clearly their positions. But he said that the published financial data and its type, do not provide enough information to exactly judge the banks' performance. He said that five out of the seven banks will distribute profits similar to last year and perhaps little more by a decision of the Central Bank and the remaining two will distribute little higher profits than the previous year.

He expected that the prices of banks shares may go up when the investment funds are introduced. Shares of good companies will similarly be affected. He said that it seems that the local banks are planning to expand by opening new foreign branches and expanding their consultancy services like managing portfolios locally and abroad and marketing assets on behalf of their clients and are gradually improving the quality of their services.

Asked about the plans aimed at reactivating the local economy, Saadoun emphasised that "there is no true economy in Kuwait in the same sense as other advanced countries." The economic concepts prevailing here are different from those in advanced countries. For example, Saadoun added, here the unreasonable increase in rents, prices of shares and lands, are looked upon as healthy and correct signs that must be encouraged to ensure economic activity in accordance with our definition of economy.

Shop now,  
pay later...Fly now,  
pay later...Give a gift now,  
pay later...

with BKME MasterCard

MasterCard

Better Than Cash

There are now twelve (12) Cooperative stores and more than 2,400 retail shops in Kuwait and over 7 million establishments worldwide that welcome BKME MasterCard. The BKME MasterCard offers you conveniences when shopping for your day-to-day needs; or buying gifts for friends; or paying your airline fares; or car rentals.

You can also use the BKME MasterCard to purchase your requirements of Thomas Cook Travellers Cheques.



THE BANK OF KUWAIT &amp; THE MIDDLE EAST

The Only Bank You Need

For more information, please contact your Personal Banker or BKME Head Office, MasterCard Department through telephone 2461429.



Kuwait bond market highly attractive to international borrowers

# Financial institutions look set to grow further

By M. C. Bose

THE origins of the modern financial system in Kuwait can be traced back to the first export of oil in 1946. This had three important effects: it boosted domestic liquidity and increased the need for financial intermediation; it led to a higher level of savings; and it prompted the evolution of enterprises with more complex financial requirements than in the past.

All three trends were manifested in 1952 when NBK, Kuwait's first national bank, was created. Not only was this the first major Kuwaiti-owned financial intermediary, but its capital requirements were met by Kuwait's first issue of shares, which were also the state's first tradeable financial assets.

NBK joined a branch of the British Bank of the Middle East which had been operating in Kuwait since 1942. The financial system really started to take shape on independence in 1961. In that year, the Kuwaiti dinar was put into circulation and a Currency Board and four financial institutions were created: Gulf Bank, Commercial Bank, the Credit Bank (reorganised and renamed in 1965 as the Credit and Savings Bank) and the Kuwait Investment Company.

The Kuwait Foreign Trading, Contracting and Investment Company was established in 1965, while Al Ahli Bank was founded in 1967. Richard Stutley, the chief economist of

Burgan Bank said.

An important turning point occurred in 1968, when the Currency Board was superseded by the Central Bank of Kuwait. This reflected the increasing pace of financial activity, which demanded better regulatory controls over the financial institutions and the money supply.

Thus, by the end of 1960s, the groundwork for the present system was laid. Most of the remaining major financial institutions were created during the 1970s, partly in response to a new influx of liquidity consequent on higher oil prices. Burgan Bank, of course, is Kuwait's youngest commercial bank. It opened its doors in 1977 and has enjoyed rapid and sound growth since then.

By the start of the 1980s, today's institutional framework was in place, with the Central Bank, a formal stock exchange, seven commercial banks, three specialised banks, one Islamic bank, 18 investment companies, 5 national insurance companies and a dozen foreign owned ones, and 80 or 90 money changers.

## System

There have been no major changes since then, although five new investment companies have opened, while a few more have closed. Also, the money changers have been brought under the control of the Central Bank, and at the end of 1987, there were 39 registered.

Stutley said in 1961, a Currency Board was considered

to be adequate to control Kuwait's financial system. The accelerating pace of activity after independence created a need for a body with stronger regulatory powers. Hence, the Central Bank of Kuwait opened its doors on April 1, 1969. It has developed a set of formal regulations through which it influences monetary and economic developments and guard depositors' interests.

In addition to this regulatory role, the Central Bank also issues the Kuwaiti currency and ensures that it remains stable and convertible, and acts as banker to the banks and the government.

Central Bank controls may be divided into two categories. There are open market operations which influence the financial system, and there are rules and guidelines which are applied directly to the financial institutions. One set of rules relates to interest rates, which we consider here. Other controls will be discussed in coming months.

Kuwait's 1961 commercial law provided for a maximum contractual rate of interest. This has given the borrower good protection, while providing a legal framework for the banks. Consequently, Kuwait's financial institutions have never run into problems over the legality of interest which have arisen in some other Islamic states.

From 1961 to 1977, lending rates were subject to a legal ceiling of seven per cent per annum. This created a situation where a KD market could well have



Training — a commitment to human resources development

developed outside of Kuwait, and it also denied the authorities an important tool for monetary control.

Thus, in 1976 a law was passed allowing the Central Bank to set interest rate limits upon approval by the Ministry of Finance.

In February 1977, the ceiling for loans was raised to 10 per cent. For advances to be repaid within one year, there were limits of seven per cent for secured loans for productive activities such as importing or construction, and 8.5 per cent for unsecured loans.

Interest rates on foreign currency transactions were unrelated. Also, a new 4.5 per cent minimum was introduced for the rate of interest paid on savings accounts.

He added that the interest rate structure then remained unchanged for 11 years.

In March 1987, the maxima were reduced in the hope of stimulating economic activity. But the upward trend in world rates forced an increase in December 1988, as recently reported on these pages.

One last point on interest rates is that maximum deposit rates are set by agreement among the banks.

In consequence, the rates are relatively inflexible. This sometimes causes flows out of the dinar when competing rates are higher overseas.

In the 1950s, four joint-stock (public shareholding) companies were established. These were NBK, the Kuwait National Cinema Company, Kuwait National

Airways (Now KAC), and the Kuwait Oil Tanker Company. Their shares were issued in Indian rupees, then the only currency in Kuwait.

The market took off after independence in 1961 when the government collaborated with private enterprise to create the joint sector of the economy. Thirteen companies were floated between 1960 and 1962, while by 1970 there were 25 in existence. 'Stagging' produced good profits for some speculators, and share prices jumped by 40 per cent in 1962 alone.

However, share trading was hampered in the 1960s by the lack of a formal stock exchange and fluctuations in government spending.

But the sharp rise in oil prices in the early 1970s provided new liquidity. Equity prices were bid up by 200 per cent between early 1971 and late 1973.

During the boom, another 11 companies were set up. One important development was the flotation of real estate companies, re-opening to small investors opportunities for speculation in land.

The imposition of official regulations over share transactions, and high interest rates overseas, prompted a retreat in share prices in 1974. But a construction-based boom in 1975-76 pushed up share prices, first of real estate companies, and then the whole market.

Post-dated cheques, prohibited in 1974, reappeared. Fresh

government regulations and the maturity of forward deals led to another share price retreat in 1977.

With a ban on new issues in Kuwait, over 40 'Gulf' companies were established over the next few years. Since these shares could not be traded on the new official exchange, an unregulated parallel market developed.

## Speculation

Trading took place in a commercial building called the Souk Al Manakh. Away from the watchful eye of the authorities, speculation based on forward deals re-emerged — boosted by the repatriation of funds from abroad where interest rates were falling.

Moreover, the practice of floating companies purely for speculation in their shares also resurfaced.

In 1981 and 1982, nearly 100 closed companies appeared, compared with 200 in the 17 years between 1963 and 1980.

Stutley said it was reported that some premiums reached 400 per cent in 1982. However, when prices eased towards the end of that summer, under the impact of recession and the Iraq-Iran war, some participants found themselves unable to fulfil their contracts.

The resulting defaults rippled through the market and led to a spectacular collapse in Al Manakh shares.

It is only now, some six years later, that full confidence is returning to the market. A whole series of new government regulations have ensured that today's share trading is much more soundly based.

The Kuwaiti bond market is highly attractive to international borrowers. It can boast surplus capital, low interest rates and a stable exchange rate relationship with the US dollar.

It is to be hoped that the authorities will soon formulate a coherent strategy to enable the country to benefit from the potential.

The KD bond market might be dated from 1968, when KIC arranged KD 140 million of private placements for the World Bank. But the true beginning was in 1974, when the jump in Kuwait's capital surplus made it a potent source of funds for international borrowers.

He said Kuwait's first public bond issue took place in 1974. This was a KD 5 million loan for the Republic of the Philippines, with a five year maturity and an eight per cent coupon.

The first domestic issue was in 1975. There was a sharp increase in issuing activity over the next few years, with some major international names tapping the Kuwaiti market.

The ban on equity flotations from 1977 and 1979, helped the bond market to develop. A peak year was in 1978, when 18 KD bond issues were arranged.

The KD 154 million that they raised put Kuwait third in the

(Continued on page 16)

## Poised for an upturn

Continued from page 13

economic sectors including those of commerce and industry. Our responsibility is to promote industrial investment and at the same time achieving specific objectives in the subsectors of manufacturing to alleviate structural and technical problems.

The minister said efforts would also be made to moribund industries and others which had shown slower growth rates in the past. Investment patterns will change as high-tech capital intensive projects are encouraged instead of labour intensive industries. In commerce inter-regional as well as international trade will be promoted.

"In retrospect generous incentive laws, bylaws and regulations will be sufficient enough for the policy implementation," he said. The minister said foreign investment and technology will undoubtedly contribute for rapid growth and improve the innovative capacity of the industrial sector as a whole. In other areas of the economy its role is less important and might tend to be speculative.

"Foreign investment in industry should be encouraged through a suitable mechanism and policies that are conducive to foreign participation. Certain areas of investment according to preset priorities should be made available. In general what we need is a coherent policy and in the ultimate we should have one," Al Khalid stressed.

He said: "Overseas investments vis-a-vis other economic activities have long been pivotal. It has also been and will continue to be a symbol of Kuwait's economic prowess. Lucrative investment opportunities are usually identified and through the experience and ever better insight of our investment authorities, Kuwait will remain an important force in world-wide investment activities."

In reply to a question about the allocation of the new budget, the minister said, "I expect budget estimates and appropriations should reflect not only a consistent development trend but also 'inter alia' better resource allocation. It is imperative that for a self-sustained growth to be achieved, a strict budgetary criterion should be applied. We should envisage and talk of continuous development and growth rather than 'cycles of boom.' I am sure that my colleagues at the Ministry of Finance will happily elaborate that point."

Asked about the upbeat mood in the Gulf region, particularly Kuwait after the declaration of ceasefire, Al Khalid said there are indications which show economic upturn. "Since the ceasefire shipping lanes in the Gulf were declared safe and insurance rates reduced. This should reflect the upbeat mood in trade in general and regional trade in particular as well as local economic activities such as fishing. ... Nevertheless accurate judgement will take some time. An economic surge will be a slow process and we should expect no miracles," he said.

Talking about difficult loan crisis, the minister said the committee or a task force headed by

the chairman of the chamber of commerce and industry is entrusted with the task of coming up with certain suggestions or proposals to deal with the present and future economic remedies for the so-called "difficult loan crisis and over all economic problems."

Turning to good infrastructure projects, Al Khalid said, "Such projects are vital to any economy and Kuwait is no exception. Such projects are simply a must and considered as a cornerstone or 'arteries' of any development plan though they are unattractive because of their

long retrievable period."

The minister said the deep economic recession that occurred in the aftermath of slumping oil prices in 1981 has engulfed all oil producing countries. Ominous prospects were reflected in weak and sluggish rates of growth. Nevertheless in Kuwait the problem was less severe and to some extent remediable.

"Certain handpicked policies were adopted with good results so far and we haven't exhausted our ability to implement new ones."

**ENJOY JUNE**  
AT  
**MÖVENPICK**  
Restaurants of Switzerland  
**PRIME STEAK TIME**

UNTIL 14TH JUNE



Try our  
prime steaks  
deliciously prepared  
to your taste.  
The choice is yours,  
don't miss it!!!

**FRESH STRAWBERRY SPECIALS**  
From 7th to 22nd June



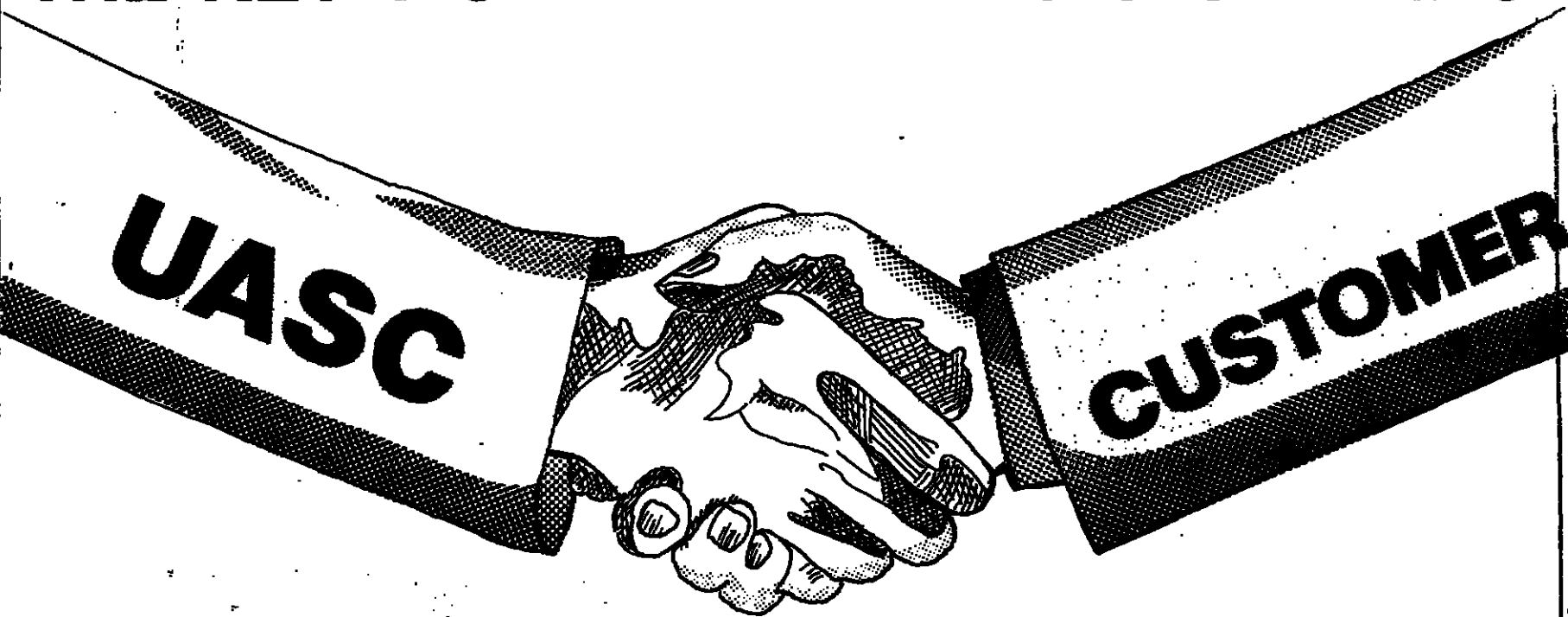
The great taste of the Far East is  
your choice starting 15th June

For reservations contact  
Tel: 2464571/72

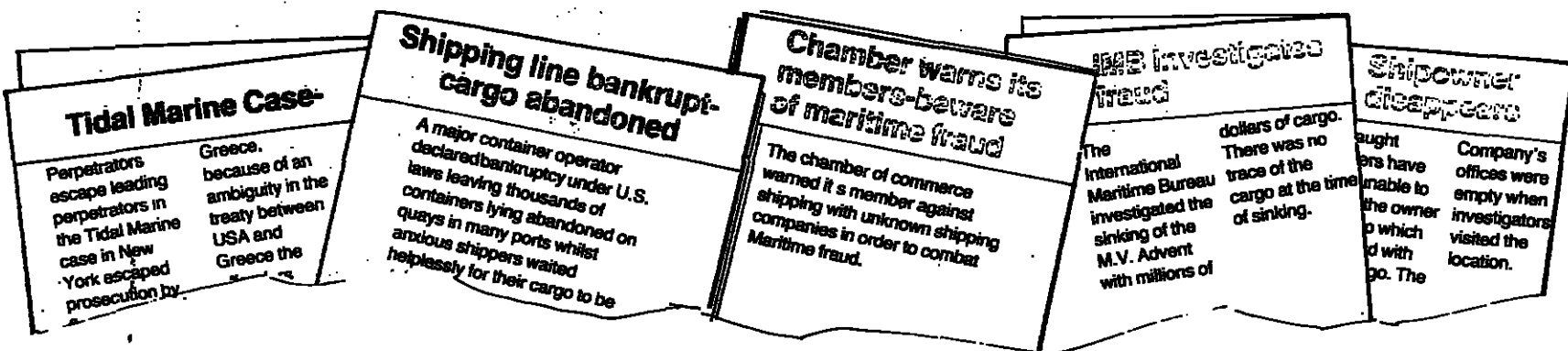
Salhia, Souk Al Muthahida

## "TRUST"

### THE KEY WORD IN TRADING & SHIPPING



ARAB TRADERS HAVE FOR CENTURIES BASED THEIR BUSINESS ON TRUST. A TRUST BASED ON YEARS OF WORKING TOGETHER IN A FAIR AND EQUITABLE MANNER.



In shipping trust plays an equally important role. Do you trust your carrier?? Have you looked into the background, reputation, credibility and reliability of the shipping line wanting your cargo??



**UNITED ARAB SHIPPING CO. (SAG)**

*Committed to serve the Arabian Gulf*

BRANCHES AND OFFICES OF THE COMPANY

City	Dubai	Abu Dhabi	Baghdad	Manama	Doha	Dammam	Jeddah	Riyadh	Ammann	Kuwait	Muscat	London	Tokyo	New York
Tel.	533211	775750	776745	291291	3221589	8328734	6695440	4786647	661527	4842160	714221	017023410	5878910	524136070
Telex	45524	23270	2696	9049	4416	801331	603254	402384	21353	2217622018	5220	915184	22446	219162

There is more to shipping than ships & containers.  
Go with your "Trusted Carrier" — U.A.S.C.



Strategy to promote long-term investment

# KIA seeks potential markets

By M. C. Bose

KUWAIT'S reserve fund is designed to provide a good additional source of income as an alternative to the oil revenue for the future generation of Kuwaitis, as the name implies. It was established in 1976, with the stipulation that the annual contribution to the fund will equal to 10 per cent of the annual revenue of the state. Initially 50 per cent of the general reserve was added to the reserves for future generation. The fund is being managed by Kuwait Investment Authority (KIA), according to a leading Kuwaiti investment executive.



Bader Abdullah Al Rasheed

KIA emerges as a major player on world stock markets. Bader Abdullah Al Rasheed, deputy managing director of KIA told the Arab Times in an exclusive interview that KIA is one of the institutional investors, its strategy is based on diversifying its investment among major markets. The future expansion is related to the changes in the information technology, instruments, methods of dealings and other related factors.

Al Rasheed said: "We are interested always in good balanced investment that will provide good returns and reasonable degree of security. Our effort in assessing potential investment is a continuous process that will view all potential markets,

especially the promising ones. I think Kuwait had invested wisely in its infrastructure projects, such as water treatment plants, power generation plants, highways etc. More emphasis should be placed now on maintaining these projects to assure their economic lives and probably investing in necessary housing projects.

Over the years, Kuwait has gained valuable experience in the investment and financial areas.

"The general policies of our investments are geared to identify, assess and invest in countries and sectors that have the security and the profitability or the ones that have the potentiality of success and good returns," he said.

Talking about KIA's London-based subsidiary KIO's overseas operations, Al Rasheed said the KIO operates in Europe and

some other countries where they have investments. The investment process is the normal activities of the authority. "Whenever we identify a good investment, we will follow it through and be part of it," he added.

Replying to a question about undervalued blue chips shares yield dividends above interest on bank deposits, he said "as you know this depends on the market, the currency and the interest rate among other things." "Will KIA allocate more funds to big Western firms in addition to bonds and other securities?"

Al Rasheed said: "KIA follows an asset allocation that is designed to meet its objectives. These guidelines do change whenever there is a justifiable reasoning."

With the recent signing of the agreement with Egypt, "I see more interest to invest in Egypt provided the availability of good investment. We are also interested in investing in India, and we are in the process of getting involved in one project which we hope will lead to more investment there," he said.

Kuwait entered Spain in 1986 and KIA has taken a majority share in the biggest chemical firm there.

He said Spain has emerged as a good potential country for investment purposes. The investment climate is conducive and its

association with the EEC countries is being strengthened.

When asked to comment about the higher level of optimism is aptly justified for 1989, particularly in the financial and investment sectors, Al Rasheed said: "I would not call it higher level of optimism, because the expected performance of the world economies in 1989 will be lower than that of 1988. There is a slowdown, and that will have an impact on all aspects of the financial sector. As for KIA is concerned, the strategy that we follow is suitable for a long-term investor who does not get so concerned over daily fluctuations in the world market place, nevertheless, we do modify our strategies and tactics whenever the need arises."

Turning to Kuwait stock market's recent move to introduce parallel stock exchange, the executive said "as many others, I am in favour of this move especially there is a vacuum that needs to be filled. For those companies which are not qualified to be listed on the stock exchange, the parallel stock exchange will provide them with the proper opportunity, and the changes for getting an organised market that will facilitate dealings in their stocks."

As for the unit trust, I am also in favour of such instrument which will be suitable for private investors, especially the ones with limited savings," he said.

## Al Ahli assets growing

## Banks heading for new phase of activation

By M. C. Bose

A HIGHER level of optimism is aptly justified for 1989, particularly in the Kuwaiti banking sector.

Morad Yousuf Behbehani, chairman of Al Ahli Bank of Kuwait said Kuwait's banking sector performed well in 1988, despite the prevailing economic conditions. This is evidenced in the higher footings of the commercial banks' balance sheet, compared to the year end 1987.

Therefore, the optimism is justified in the sense that the Kuwaiti banks are now heading for a new phase of activation.

He told the Arab Times that the Gulf ceasefire brought about a great deal of optimism in the entire Gulf region.

Accordingly, all the states of the region have taken advanced steps toward being fully equipped for the forthcoming state of economic activation. And Kuwait, represented particularly in the banking sector, is a good example for such preparedness.

The final peace settlement between the two countries will certainly enhance such state of optimism. Therefore, "I believe that the outlook for the Gulf economies will change to match



Morad Yousuf Behbehani

the anticipated economic revitalisation."

Replying to a question about bank's profit growth, Behbehani said, in 1988 Al Ahli Bank realised major achievements both locally and internationally. The bank was able to finalise the major part of the government's Difficult Credit Facilities Settlement Programme, new services were introduced; including: Visa Card and existing services were developed such as: personal loans, of which the portfolio increased by over 60 per cent, and money transfers to various parts of the world. The bank's branch network was expanded, with two new branches opened, phase 1 of the bank's automation system was

completed and all branches were linked to the new SWIFT system.

To cope with the advanced world of banking, he said the bank moved to its new head office premises in Safat Square (the heart of Kuwait City). The new 23-storey, 112 metres high building features the up-to-date banking technology and elegant architectural design.

The bank's strategy of expansion world-wide was enhanced during 1988, with the opening of two representative offices in Beijing and London, thus enforcing our long-term objective to be present in the world's major financial centres.

The bank lead-managed six syndications, and the treasury and asset/liability management received great care.

**Assets**  
The bank's assets increased to KD1,753 million, from KD1,605 million at the end of 1987.

The bank's divided distribution was eight per cent and the overall bank's balance sheet footings witnessed an increase by KD132 million, to KD1,999 million, from KD1,867 million at year end 1987.

"Our strategy involves a great deal of concentration on investment. Various investment funds

were tailored to meet the needs and expectations of our clients and these are expected to be launched during 1989," he added.

"As I mentioned earlier, our strategy was enhanced in 1988 by the opening of our two representative offices in both Beijing and London. This trend will continue in the next few years, so that we can intensify our presence in the world's major financial centres."

"We also directed a great deal of attention to our Dubai branch, utilising the advantage of being the only Kuwaiti bank to have a branch in the UAE. Further development was effected on the branch's operations and services, resulting in excellent achievements. We have future plans to further expand the operations of Dubai branch."

He said: "In my view the expansion indicates that 1988 witnessed a phase of conversion from recession into economic revitalisation."

Talking about the total performance of the Kuwaiti banking sector, Behbehani said at the end of 1988, the commercial banks' aggregate balance sheet totalled KD10.4 billion, this reflects an

(Continued on Page 18)

## Financial institutions look set to grow...

(Continued from page 15)

Eurocurrency league, behind only the US dollar and the Deutschmark.

Another 14 issues raised KD 112 million in 1979. But by 1979, the high level of world interest rates was encouraging outflows from the Kuwaiti market.

In November, the authorities reacted by placing a moratorium on dollar issues. The moratorium was lifted temporarily in August 1980, when Eurodollar rates eased.

Two issues, both for KD.7 million were introduced. But liquidity shortages re-emerged and in October the government again prohibited the issuing of bonds.

The market was re-opened in August 1981 with a new set of operating guidelines. The key stipulations were that the Central Bank had to give approval before issue; that the maximum amount would be KD 7 million; that the maximum maturity would be seven years (or 10 years with a bond holders' option at the end of seven years); that in any two month period only three issues would be allowed (one every two months from July 1982); and that lead management would alternate between the three Ks (Kuwait Foreign Trading, Contracting, and Investment Company, Kuwait International Investment Company). By the end of 1983, another 18 bonds had been floated for a total of KD 114 million. At this time, secondary trading was increasing and turnover peaked at KD 340 million in 1984.

But pressures on liquidity in the aftermath of the Al Manakh incident forced another ban on international issues from 1984 to 1986 inclusive.

Over these three years, secondary market trading dwindled.

First, an important force was lost when the Arab Company for Trading Securities submerged in the Manakh shakeout.

Second, enthusiasm in unlisted bonds waned when regulations were tightened.

Third, the plunge in world interest rates prompted many borrowers to redeem their own securities to cut costs, and by the end of 1986, only 15 bonds remained for trading.

Consequently, turnover hit a low of just KD 275,000 in 1986.

When bond issues were reallowed in 1987, there were KD 113 million of new issues.

However with world interest rates rising faster than Kuwaiti rates, the Central Bank once more became worried about outflows. A new moratorium on issues was introduced. But this time, it was partly to pave the way for the government of Kuwait to issue its Treasury bonds, at the end of 1987.

In a notable development, the Central Bank of Kuwait issued, Kuwait's first Treasury bills in November 1987, and the Gulf's first Treasury bonds in the following month.

Both bills and bonds allow the government to borrow some of the private sector's surplus investment funds to help finance the budget deficit.

1989. Bills held by the commercial banks count towards their reserve requirements. The treasuries provide a tool for regulating the level of liquidity in the system. By taking more of the paper onto its own book the Central Bank can increase the amount of money in circulation. (It buys the paper from the banks and other holders, giving them cash in return). By selling some of

its holdings, the Central Bank can reduce liquidity.

The bills and bonds are issued regularly by the Central Bank on behalf of the Ministry of Finance. The paper is sold initially to those financial institutions under Central Bank control.

It is in bearer form, listed on the Kuwait Stock Exchange, and it may be traded in the secondary market by both Kuwaitis and non-Kuwaitis alike.

Now  
in



## Arabic Nights

Delightful Arabic ambience. Buffet tables laden with delicious flavourful Arabic specialties. Entertainment by the famous singer, Ghassan Najjar and the "Lords" Band from 8.30 pm. every evening, except Fridays.  
For reservation Tel: 2422055 Ext. 345 - 109.

شيراتون الكويت  
Kuwait Sheraton Hotel  
The hospitality people of KTH

Even in London the Watani Express card enables you to withdraw up to £1,000 daily from your account in Kuwait!

الوطن اكسبريس  
Watani Express



When you travel to London all you need to take is your Watani Express card.  
You can withdraw up to £1,000 daily from our London West End Branch ATM located in the heart of London on Orchard Street (off Oxford Street).

You can withdraw from any of your accounts with us in Kuwait, and the amount will be instantly debited to your account through the computer.  
NBK London West End Branch  
18 Orchard St. London W1H, OBD.  
Tel: 01-2242277

## Plans to narrow deficit

(Continued from Page 13)

system. Consequently, Kuwait is expected to experience a stable economic expansion during the next several years.

Confidence in the Kuwaiti economy has been strengthened after the completion of the first stage of the Difficult Credit Settlement programme. To boost such confidence, and to encourage investment spending, especially in the private sector, the government will continue its efforts to find pragmatic solutions to all facets of the problem. For example, the rescheduling programme is another forward step and more comprehensive steps are expected to follow.

Al Nahedh said because of the low absorptive capacity in the Kuwaiti market, Kuwait has become a major capital exporter and investor in global markets. Kuwait holds a huge vehicles under the supervision of (KIA). In addition to these portfolio investments, the Kuwait Petroleum Corporation owns refineries in the Netherlands and Denmark, a chain of service stations in Europe, and a majority of the US-based Santa Fe Oil Exploration Group.

Kuwait is pursuing an aggressive investment strategy; its most recent overseas investments include a Canadian Paper Company, a Singapore property developer, and a major Spanish Bank holding company.

He said that there have been different suggestions to reactivate the stock market. For example, the introduction of mutual funds will encourage more investment in shares. Consequently, the introduction of the parallel stock market will no doubt stimulate stock trading and encourage investment in shares of smaller companies. All this will enhance activities and economic growth of the domestic economy.

Al Nahedh said the Central

Bank of Kuwait always plays a major and indispensable role in tackling and resolving local economic problems. The success of the Difficult Credit Settlement programme, set up in 1986, remains the best example at hand.

"However, the basic role of the Central Bank, as a monetary authority, is reflected in its capability of formulating and implementing effective monetary policy. For example, the Central Bank is regulating monetary policy by buying and selling government securities, known as open-market operations, and by manipulating interest rate ceilings.

"In 1988, it used excess Treasury borrowing to control liquidity in the banking system. Drawing on this success, it will place more than KD 400 million of Treasury instruments and KD 2.1 billion of its own obligations this year to slow monetary growth.

"The Central Bank will exercise special caution with interest rates and the exchange rate to rebuild foreign exchange reserves, and will pursue a monetary policy in such a way to counter pressures from higher international interest rates and outflow of funds.

"I have already mentioned earlier that successful completion of the Central Bank's Difficult Credit Settlement Programme, set up in 1986, was crucial for the process of reactivating the domestic economy. 97 per cent of the debtors are now registered under the programme and in mid-March the Justice Ministry approved debt rescheduling arrangements for almost all of them.

"This of course will give the debtors a chance to get organised financially and to look for investment opportunities; Thus the local economy will be strengthened."

MINIMUM  
KD. 700/-  
FOR YOUR  
OLD CAR

**WIN A PAJERO or L-300 MINIBUS**

\* Valid only for 4 cylinder Super Wagon with Manual Gear and Front Air Conditioner - 1989 Model.

NOW Purchase a rugged 4 cylinder Pajero or a L 300 Minibus before 10th July and you may win it in the Free Vehicle Draw on 18th July.

Convenient instalment facilities up to 48 months available.



MITSUBISHI PAJERO

Maseelah Trading co. W.L.L.  
Sour Street Tel: 2445040, Al Rai Tel: 4713127/4730733  
Fahaeel Tel: 3912441/3918921

The Al Mulla Group - Your Partners in Progress.

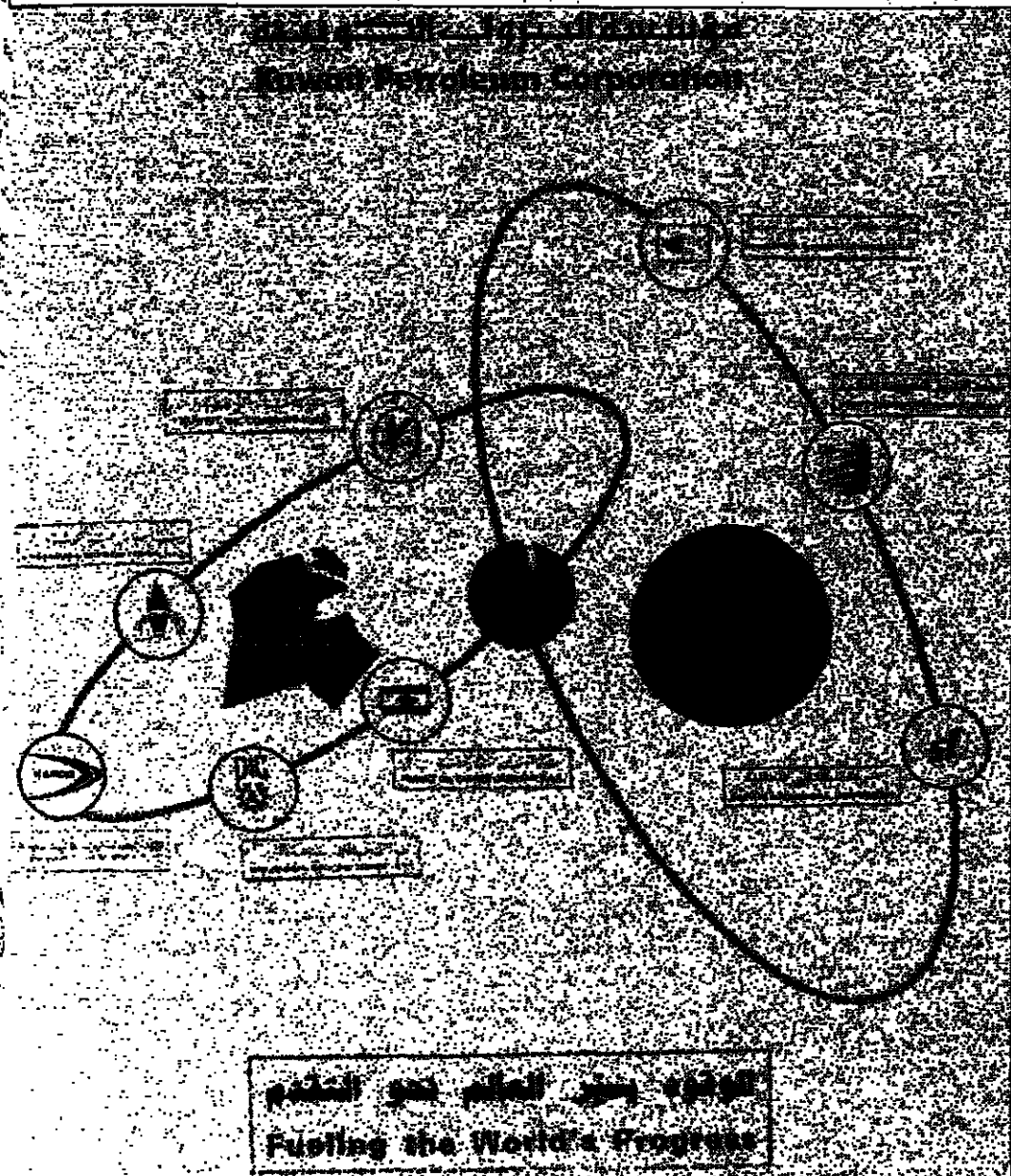
PAJERO SUPER WAGON SPECIFICATION:

- 2600cc. 4 cylinder engine
  - Power steering
  - Power windows
  - Radio/Cassette
  - Front Grille Guard
  - Comfortable seats convertible to bed
  - Chrome style wheels with Radial Tyres
- And many other luxury features.

Cash Price KD. 4800/-







## Call to develop engineering industry to meet defence needs



Abdul Aziz Al Saquer.

THE CHAIRMAN of Kuwait Chamber of Commerce and Industry Abdul Aziz Al Saquer has said that GCC states witnessed a noticeable industrial growth during the last two decades. He added in a report published by the annual magazine of the Commercial Bank of Kuwait "Dinar" that thousands of industrial projects were carried out during this period in different industrial fields such as oil refineries, gas liquefaction, petrochemicals, fertilizers, aluminium, steel, cement and foodstuffs. He said that public, private and joint sectors carried out 4,900 industrial projects in the GCC states during the last two decades which cost about \$38 billion. Industrial workers of GCC states increased

from 48,000 to 256,000 during that period.

Saquer pointed out that efforts of GCC states based on developing the basic industries for exporting only, depended on establishment of food and consuming industries that are substitutes for imports to meet requirements of the local markets.

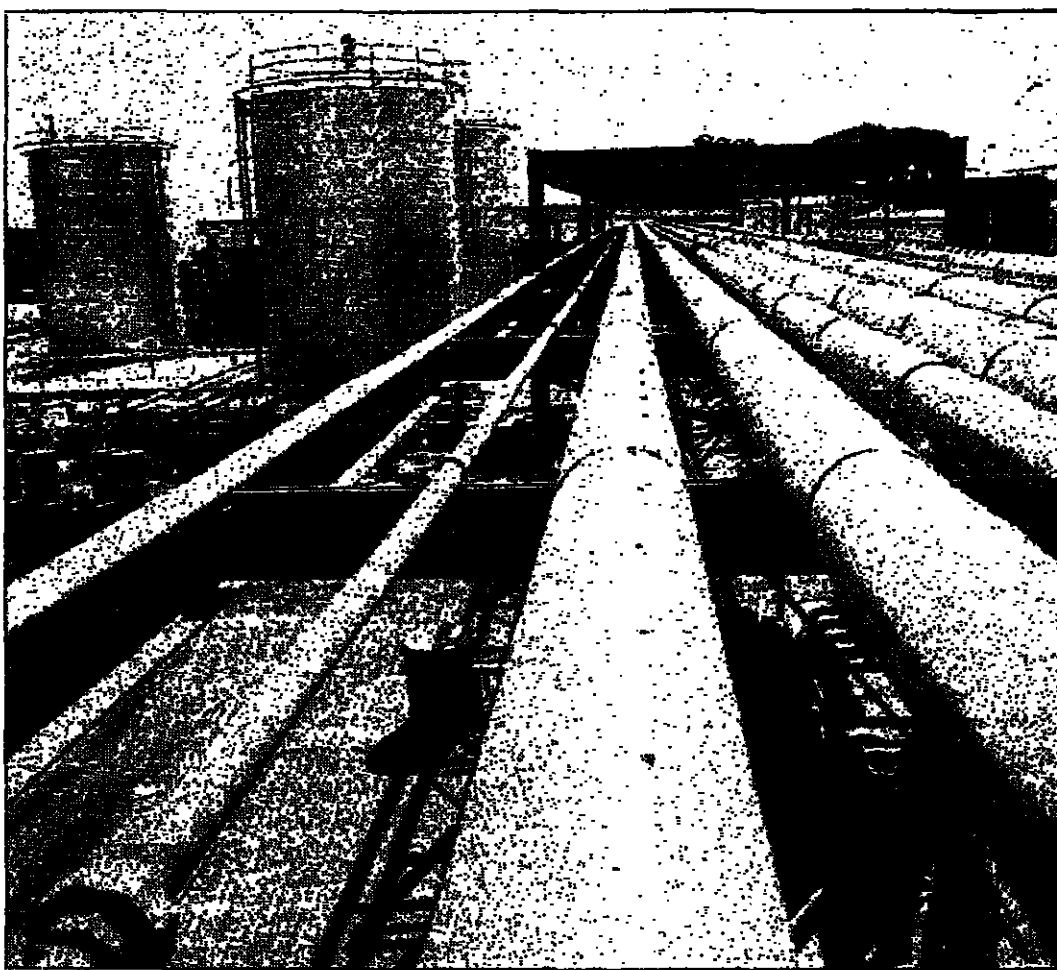
The industries benefited from the availability of cheap power and availability of low interest capital in the area. He added that export oriented industries include refining crude oil, gas liquefaction, petrochemicals and fertilizers.

The industries that meet the requirements of the local market include cement and steel industries. The conversion industries form 70-75 per cent of total industries in the GCC states, he said.

The official pointed out that oil refining industry is from the first conversion industries in the region of which the maximum capacity totalled about 2.8 billion barrels a day in 1958 and constituted 39 per cent of total produced crude oil that year.

The GCC states gave special attention to the natural gas which increased the percentage of used gas from 10 per cent in early 1970s to more than 85 per cent at the end of 1980s.

Noticeable quantities of (Continued on Page 20)



Kuwait Chemical Manufacturing Co.

## Q8 to begin operations in Kuwait

# Oil firm spreads its wings

By M. C. Bose

THE eye-catching Q8 sign is now fast becoming a familiar sight at roadside gas stations in Britain, Denmark, Holland and Italy, according to a senior KPC sales executive. Among its innovations KPC was one of the first companies in Europe to market unleaded petrol in 1985 under the brand name 2085.

Mohammed Al Qassem, lubricant Sales Manager of KPC told the Arab Times the Q8 is presently expanding its marketing stations for aviation fuels.

"We have been supplying jet fuel to various European countries including Hong Kong," he said. KPC has been supplying aviation fuel to about 35 airlines all over the world.

The company's research and technology centre in Holland continues to carry out research in order to improve the quality of products to suit the market demands and refineries in Europe and Kuwait.

Qassem said in view of the high demand for Q8, KPC is planning to switch its marketing operation to Kuwait and the Middle East in September this year.

Research and development programmes to develop innovative and unique products were actively pursued in the area of engine lubricants to further extend and improve the new range of Q8 lubricants introduced in September 1986.

The KPC European operations (Q8) slogan has become widely used after introducing it to the KPC-owned fuel stations in Europe. The Kuwait Foreign Petroleum Exploration Company (KFPEC) carried out a number of small but strategic purchases of petrol stations in North Italy to strengthen the KPC's position in distribution.

The operation included acquired 25 per cent of the shares of a transport and distribution company in Italy. In March 1988, the Kuwait International Oil Co bought the Roll Oil Co., an independent lubricants distribution and marketing company.

The company then expanded its pioneering service which is the International Diesel Service (IDS) and trucks centers in Europe. The operating company outlets increased from 116 to 150 centres in eight European countries to become the largest diesel distribution company.

Operations in the Europort refinery in Holland continued normally during the last fiscal year, besides carrying out a number of important projects in the refinery.

In addition, the company's Technology and Research centre in Holland continued its research to improve the products to suit the demands of markets and refineries in Europe and Kuwait.

The Q8 operations have also been expanded in the field of aircrafts fuel supplies. Its operations covered three airports in Britain including the Heathrow International Airport. The company supplies fuel to planes in 10 European airports and other airports in the Far East and the USA. The company's sales increased by 18 per cent from the previous year.

**Activities**  
Concerning local marketing activities, demand for oil products dropped by 10.8 per cent from the previous year, after dropping to 21.8 million barrels from 24.4 million barrels.

The main cause is attributed to the sharp drop in the sales of the gas oil to the Ministry of Electricity and Water and after expanding the use of gas in its power station. Petrol sales, however, increased by 4.1 per cent and most of the increase was in the sales of the premium 98 Octane petrol mainly because of the little difference in price with the other type 90 Octane.

Sales of kerosene also increased by 5.6 per cent because of its use by some local factories. Sales of lubricants dropped by 23 per cent. There were 73 petrol stations in the country.

The KPC has achieved a profit of KD 141 million during the 1987/88 fiscal year, despite the (Continued on Page 20)



"As a leader in business, I am here to set an example...  
I am very careful, very selective... about my official dealings, my reputation. Even my associates. Naturally, when it comes to general insurance I prefer the leader as well. New India, of course."

Leaders have a habit of gravitating towards leaders. That's why New India is the company of choice for most.

Today, it's a company with a KD105 million premium, with a national and international presence. Amongst its clientele are the largest, most successful business houses.

As well as people from all walks of life, every section of society... both urban and rural.

Because New India has innovated

many insurance covers. The range exceeds 75... to meet any and every need. Through a giant network of over 1000 offices in India and abroad.

To retain leadership, New India offers something special with every cover...

The personal touch... A genuine concern for each and every customer shared by 4000 inspectors and the over 16,000 strong New India family, internationally.

You name the risk. We insure it.



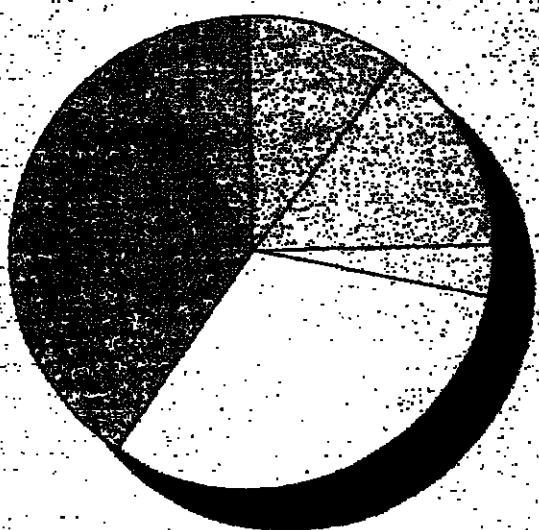
**NEW INDIA ASSURANCE**

Principal Agents: **Mohamed Saleh Behbehani**

P.O. Box No. 370 10001 Sales House  
Tel.: 2433056, 2416477, 2412085 Telex: 22194 SHIPPING KUWAIT.  
**SO MUCH SECURITY FOR SO LITTLE.**

## Banks emerge from doldrums

NBK: DOMESTIC CREDIT  
Distribution by sector



1. Govt 21.8%	Financial 9.85%
2. Industrial 32.61%	Commercial 14.44%
3. Manufacturing 7.88%	Other 3.38%

At a time when major Gulf banking institutions are suffering the agonised impact of Third World debt, Kuwaiti banks seem to have started emerging from the doldrums. A cautious mood of optimism permeates local financial markets, according to NBK Economic and Financial Adviser.

The reversal in market sentiment can be traced back to some major positive developments on the domestic scene, as well as to better business prospects emerging from a more stable

regional situation in the wake of the Iraq-Iran ceasefire.

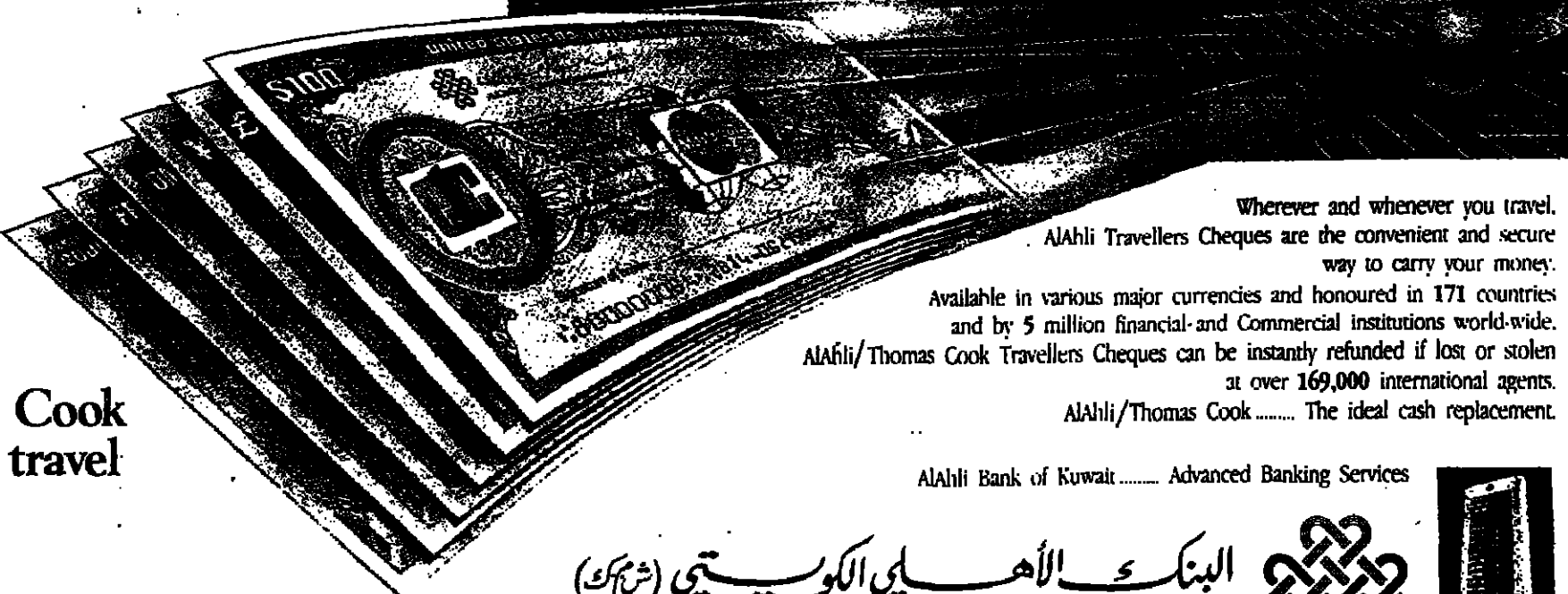
First and foremost, the last sequel of the Souk Al Manakh crash, which had shifted to the bank's doorsteps in the form of non-performing loans, have been erased for all practical purposes with the successful implementation of the "difficult credit facilities settlement programme".

This programme, implemented by the Central Bank, was

(Continued on Page 18)

# ALAHLI'S TRAVELLERS CHEQUES

AlAhli/Thomas Cook safety when you travel



Wherever and whenever you travel, AlAhli Travellers Cheques are the convenient and secure way to carry your money.

Available in various major currencies and honoured in 171 countries and by 5 million financial and Commercial institutions world-wide.

AlAhli/Thomas Cook Travellers Cheques can be instantly refunded if lost or stolen at over 169,000 international agents.

AlAhli/Thomas Cook ..... The ideal cash replacement.

AlAhli Bank of Kuwait ..... Advanced Banking Services

البنك الأهلي الكويتي (ش.م.ك.)  
**ALAHLI BANK OF KUWAIT (K.S.C.)**





# Kuwait set for growth

Businessmen regain confidence



Saud Abdul Aziz Al Gharabally

THE easing of regional tension, combined with a period of relative stability in oil prices has helped to create a confident mood among Kuwaiti businessmen.

Banking and finance are becoming increasingly active and a small boom in construction is under way.

"The price of oil is becoming more stable and the economy is showing clear signs of upturn," said a leading Kuwaiti banker.

Saud Abdul Aziz Al Gharabally, deputy general manager of Bank of Kuwait and Middle East (BKME) said the overall business climate has improved. The Gulf ceasefire was immediate of benefit to the country. Banks have shown an improvement in the value of their assets for 1988.

The ceasefire also raised hopes of increased economic activity in both construction and trading sectors.

Turning to the stock market, he said the parallel market will have positive impact on stimulating the trade in the overall share market for many reasons. Some of the Gulf companies were found active and performed well. "The market needs such firms," the banker said.

It will diversify the type of shares available to the investors and add flexibility to the investment choices, he added.

BKME Chairman Ali Abdul Rahman Al Rasheed Al Bader said in the annual report that the net profit of KD6,313,855 represented a 9 per cent increase over the comparable 1987 figure. The total balance sheet at the end of 1988 stood at KD1,190,792,597 against KD1,126,905,034 at end 1987.

During 1988 the bank concentrated on efforts designed to consolidate and strengthen its share of the local banking market. These included the opening of BKME's 21st branch in Salwa at the beginning of the year, the improvement of general retail services, and an increase in the range of products offered to customers.

The Bank's activities and customer base were expanded in line with a detailed business plan that stressed local marketing and

Year	Development Expenditure	Public Works	Electricity and Water	Communication	Other
1981/82	489.7	177.5	292.9	12.1	7.0
1982/83	542.8	174.7	331.7	23.6	12.6
1983/84	577.3	150.7	366.2	35.2	25.0
1984/85	628.8	176.4	366.2	46.0	40.1
1985/86	563.6	217.5	304.8	13.5	27.6
1986/87	501.8	174.0	267.9	21.1	38.7
1987/88	454.4	118.0	282.8	19.1	34.5
1988/89*	657.0	211.0	330.5	26.2	88.5

\*Budget figures use for 1988/89 — the rest are actual expenditures.

FY, Ending June 30	83/84	84/85	85/86	86/87	87/88	88/89
Closing Account	C/A	C/A	C/A	C/A	Budget	C/A % Change
A - Revenues	3151	2745	2345	1731	1979	2252 30 2054 3.8
1. Oil	2924	2448	2060	1484	1726	1991 34 1789 3.6
2. Non-Oil	227	297	285	247	253	260 5 266 4.9
B - Investment Income	1280	1154	2493	-	-	- - -
C - Expenditure	3120	3205	3106	2860	3158	2806 -2 3195 1.2
1. Current (1)	2113	2426	2382	2238	2408	2252 1 2437 1.2
A. Wages & Salaries	-	-	(675)	(731)	(757)	(793) 5 (886) 5.7
B. Goods & Services	-	-	(382)	(298)	(209)	(266) 5 (264) -0.8
C. Transport equip.	-	-	(21)	(20)	(21)	(20) -6 (26) 6.1
D. Other	-	-	(1,348)	(1,333)	(1,252)	(1,279) (1,219) -3 (1,261) -1.4
2. Development	779	629	564	502	650	454 -10 657 1.1
3. Land Purchase	227	150	161	120	100	100 -17 100 0.0
D - Capital Allocations (2)	345	305	265	173	198	225 30 205 3.5
E - Balance:						
1. Stricto sensu (A - C)	31	-460	-761	-1129	-1179	-554 -51 -1140 -3.3
2. "Official" (A - C - D)	-315	-765	-1026	-1302	-1377	-779 -40 -1345 -2.3
3. Overall (A + B - C)	1311	694	1732	-	-	- - -

(1) On a net basis, i.e. after deducting ministries disbursements to other ministries for the consumption of water, electricity and communication services.

(2) Excluding capital allocations which constitute the following:

(a) Reserve Fund for Future Generations

(b) KFAED capital

improved efficiency, and in accordance with a selective credit policy that safeguard shareholders' and customers' interests.

The bank also took positive steps to increase its international banking presence by opening its first two overseas representative offices, in New York and in London. A presence in these major financial markets will enable the bank to increase its role in financing the local and foreign transactions of international companies, and will help in the development of BKME's investment banking activities.

During 1988 the bank continued to administer its growing investment portfolio on the basis of well-balanced and sound policies. Through its subsidiary company, the bank doubled its investments in international bonds and equities, and the favourable results of this activity are reflected in the overall profit increase for 1988.

The report said on the domestic front, 1988 witnessed completion of the legal procedures concerning documentation of loans under the difficult debts settlement programme. This freed the bank to dedicate more time and effort to its basic banking operations. In addition, during 1988 there was an improvement

in the financial position of some customers, who were either included or were about to be included in the programme.

This enabled the repayment of some previous problem debts and the rescheduling of others against adequate securities.

The report added that in the domestic market the bank managed to widen its customer base through increased marketing of a diversified range of new or improved banking services, including the Ready Reserve Facility, credit cards, deposit and current accounts, and various financing products.

BKME's investment subsidiary added new equity, bond money market products to its previous real estate investment services; the company's excellent results are a measure of the bank's success in offering its customers an appropriately diversified range of investment channels.

The bank's management was restructured during the year in accordance with the strategic plan drawn up to ensure that BKME can successfully meet the present needs and future requirements of all its customers.

In addition, the bank played its traditional role as banker in Kuwait to those multinational

companies carrying out projects in the public or private sectors, advising these customers on the available choices of financing vehicle and introducing them to local customers with a view to joint-venture co-operation.

In recognition of the bank's responsibilities towards the local financial market, the Treasury Division established during 1988 a special department for dealing in Kuwaiti government bonds and bills, the first of which, were issued by the Central Bank of Kuwait at the end of 1987. The bank is anxious to contribute to the development of a secondary market in these new financial instruments by marketing them among BKME's corporate and other customers.

In 1989 it is hoped to complete the home banking project which will provide a direct link between BKME's computer and computers operated by commercial customers, and offer full cash management services.

The report said in-house training on personal computers and word processors, using bank employees' experience to teach other employees, was successfully introduced during the year, and will be further developed in 1989.



The Joint Banking Centre at the heart of business district.

## Banks emerge from doldrums

(Continued from Page 17)

"technically" finalised by the end of December 1987. However, settlements have to be routinely approved by various official institutions (such as the Ministry of Justice).

Implementation was expected by the end of 1988, as the response to the programme by both banks and debtors was extremely positive, with only a handful refusing to enter proposed agreements.

Second, bank results for 1988, announced during the first part of 1989, after close scrutiny by the Central Bank, showed a sharp improvement as monetary authorities allowed all local banks to distribute cash

dividends and bonus shares.

The National Bank of Kuwait distributed 22 per cent in cash dividends and 13 per cent in bonus shares, based on published profits of over KD30.9 million (\$109 million). More-

over, NBK later announced that its actual profits were much higher than the published ones, as it relies on boosting "inner reserves" to shield the bank against the vagaries of financial markets.

Third, local financial institutions contributed to the overwhelming success of the launching of the new public debt instruments, namely Treasury bills and bonds.

Commercial banks' holdings

of Treasury bills and bonds amounted to KD798 million at the end of October 1988, accounting for 13 per cent of all claims on residents.

These new investment instruments helped counterbalance the rather poor performance of banks on the credit side, as claims on the private sector remained flat between October '87 and October '88.

Dr Ziad Taky, the assistant general manager and chief economist of National Bank of Kuwait said, training is also being emphasized in all areas of banking, as a highly skilled staff has been appreciated as a precondition for any improvement in service or productivity.

## Kuwait economy stable

(Continued from Page 13)

With the implementation of the Debt Settlement Programme, which helped clean their portfolios and streamline their handling of bad debt, Kuwait banks are in a better position to take advantage of the new opportunities provided by the improved economic environment.

The performance of Kuwaiti banks in the last two years reflect the economic environment in which they operate. Following several years of contraction, the Kuwaiti economy resumed its growth in 1986, after several years of negative growth.

The non-oil gross domestic product (GDP) of Kuwait grew by eight per cent in 1987, compared to 4.5 per cent increase in the previous year. Preliminary figures for 1988 show that non-oil GDP increased by nine per cent.

Khorafi added that economic growth in the last two years was reflected in the balance sheets of the local banks. Total assets in 1987 and 1988 grew by 6.5 per cent and 5.1 per cent respectively. Profitability also improved in the same period, thus enabling all commercial banks to distribute cash dividends in 1987 and 1988, compared to 1986, when only the National Bank of Kuwait distributes cash dividends.

Improved performance was particularly strong at the National Bank of Kuwait. Total NBK profits increased in 1988 by another 16 per cent, reaching KD30.9 million, as compared to KD26.7 million in 1987.

This enabled the NBK to distribute cash dividends equal to 22 per cent of nominal shares and another 13 per cent in bonus shares. The NBK also transferred unspecified sum to its inner reserves.

The Gulf ceasefire led to an immediate rise of confidence in Kuwait's future economic prospects. This was reflected by the rise of selected stock prices and inventories. Since then, local business realised that the positive impact of the ceasefire on the local economy is going to be gradual.

## Banks heading for new phase of activation

(Continued from Page 16)

increase of five per cent compared to 1987.

Replying to a question about Kuwait's infrastructure projects, the chairman said the 1988/89 government budget emphasises, continued spending on major infrastructural projects. The budget figure of KD657 million provided for expenditure on development projects reflects this trend.

"This means that Kuwait intends to complete all aspects of its infrastructure, by intensifying expenditure on development projects," he added.

Kuwait has built up a reputation as one of the region's most sophisticated international investors. He said Kuwait's investment strategy is, by all means, a wise one. Diversification of foreign investments is another vital aspect of this strategy.

Kuwait's wise policy in terms of foreign investment, has proven fruitful for the economy, he added.

The same is applicable to the banking sector, which has leaped tremendously in the last two years towards expanding its business volume and operations world-wide.

Behbehani said in 1988, the Kuwaiti government was active in the management of its foreign assets, and in "my belief — this trend will continue as a steady theme of Kuwait's investment policy."

Meanwhile, the government has also provided various domestic investment tools, to achieve balance between domestic and international investment, he said.

For all types of economical insurance plans well-tailored to your requirements, please contact:



Agents: Bader Al Mulla & Bros Co. W.L.L.

● Fire ● Marine ● Motor comprehensive ● Industrial  
● Workmen's compensation ● Personal accident ● House-holders' comprehensive ● Contractors all risks ● Erection all risks and various other general insurance protection covers.

THE ORIENTAL INSURANCE CO. LTD.

Post Box: 22431, Safat, 13085, Kuwait.  
Tel. 2424016, 2426147 & 2426149 Tlx: 22012 AL MULLA KT Fax: (965) 2424017

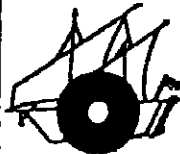
## Going Places? Travellers Cheques from Kuwait India A Must for Safe Travel!



First stop — Kuwait India. Our friendly staff, our superfast computerised service and diversity of denominations offer you the safest and most reliable way to carry cash around.

Travellers Cheques from Kuwait India in I. Rs., U.S.\$, £ Sterling, DM & Japanese Y from State Bank of India, VISA and Thomas Cook (Master Card).

Travel free... Travel light... Travel with the convenience and safety of Travellers Cheques from Kuwait India.



**Kuwait India International Exchange Co. w.l.l.**  
THE MOST RELIABLE EXCHANGE COMPANY IN KUWAIT.

● Issa Al-Othman Bldg., Al Hilal Street, (Opp. Safat Post Office), Murgab. Tel: 2422699, 2422733, 2422765  
● Alghanim Bldg. No. 1, Shop No. 28, Mecca Street, Fahahel. Tel: 3917353

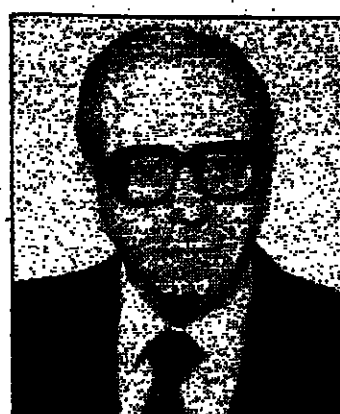


# BUSINESS SURVEY ON KUWAIT: AN ARAB TIMES SUPPLEMENT

Bid to preserve unity of action

## Is marine insurance still a money producer?

THE marine insurance market in Kuwait for the last ten years has been the most sophisticated and profitable market in the Gulf area due to income from large government projects and drastic measures taken by the loss prevention office with the moral support of the port authorities. But unfortunately those golden days appear to have taken another trend, one of the leading Gulf insurance experts said last week.



George T. Nasr

George T. Nasr, assistant general manager of Kuwait Insurance Co. and chairman of the Kuwait Marine Market Committee gave the undermentioned factors as causes for severe competition.

■ Tremendous decrease in the high war premiums that were flowing in the marine market during the war in the Gulf region.

■ Huge capacities available in the international reinsurance market are encouraging ceding companies to accept any business without giving due consideration to the nature of risks involved. This is one of the causes for deteriorating the market in the area.

■ The great hopes that the ceasefire in the Gulf will flood the market with enormous number of new constructions and transit facilities to the neighbouring countries. These hopes have so far not materialised.

Nasr told the Arab Times that insurance services in Kuwait are considered to be among the best in the Middle East. Kuwait is the only country in the Gulf region with maritime and shipping laws that regulated insurance and shipping companies.

The Kuwait government passed the new maritime law in 1980. The law attempts in regularising the relationship between the

single national insurance company in the Gulf will reinsure with this syndicate for war risks. It is a major step in establishing Arab War Risks Reinsurance Syndicate. This reinsurance syndicate came into existence in the wake of 'unjustified premium rate hike' by international market. The aim was not to offer competition but to prevent unreasonable hikes in premium rates.

"In my opinion the syndicate has proved successful in this respect," Nasr added.

Before 1960, there were no national insurance companies and insurance business was in the hands of foreign insurance companies.

It was with the floating of Kuwait Insurance Co., in 1960, the first national insurance company was established. It was followed by Gulf Insurance Co., Al Ahleia Insurance Co., and then the Warba Insurance Co. Now four companies owned by Kuwaitis underwrite more than 75 per cent of the insurance in the market with the help of government policy to encourage the national companies.

The national companies have always co-operated with one another whenever the big government projects are involved.

The credit of establishing Loss Prevention Office (LPO) in the port area also goes to the four national companies who share LPO's expenses equally. LPO's duties include a check on loading and unloading activities. LPO also submits proposals to the port authority for minimising losses and advises national companies on the nature of packing etc. to prevent future losses.

He added: "As chairman of the marine market committee, I should mention its role in the

Kuwait insurance market. For the purpose of preserving unity of action in the marine market, a marine market committee was formed. It is represented by members from four national companies and foreign branches operating in Kuwait. All related matters are discussed and any decision taken by the committee is to be adhered to and acted upon by all members."

He said that Kuwait's marine market committee is a technical body. The purpose of its foundation is to create stability in the insurance market and uniformity in the important decisions for any major accidents.

It has also been a link between the Chamber of Commerce and the insurance companies concerning matters relating to interpretation of insurance coverages. For instance, the marine market committee played an important role in the case of the 'M.V. Ibn Al Bitar' that was arrested by the Iranian authorities during the Gulf war. The committee had taken on her own initiative and expenses the communications and negotiations with the salvage association and the international surveyors and loss adjusters in order to find a suitable way to release the cargo and arrange the reforwarding of the same to the merchants.

During these negotiations the marine market committee was also a source of information to some insurance companies and chambers of commerce in the Gulf region regarding the latest developments of the sea and the possibilities of release of the cargo on board the ship.

However, the committee is now studying a scheme for minimum rates to be applied in the market in connection with restricted coverages.

Market mature and self-sufficient

## Insurance law may be amended

IT is widely known that Kuwait has been a pioneer in organising a proper and systematic insurance market in the Gulf region.

C.S.S. Khanpuri, general manager of Guardian Royal Exchange Assurance PLC and chairman of Kuwait Insurance Association has said the first insurance law came into effect in 1961 and the first Kuwaiti insurance company i.e. the Kuwait National Insurance Co. was set up about thirty years before. This company later wound-up its business.

When the Law No. 24 of 1961 came into effect, there were more than thirty foreign insurance companies operating in Kuwait.

In the course of a few years i.e. in early 60s and subsequent years four formidable national insurance companies came into being which had very solid, professional and technical foundation.

These companies have now grown to become financial giants and are placed amongst some of the best international and Arab insurers.

They write all classes of business including life. A late entry in the field is a jointly-owned Bahrain and Kuwait Insurance Co. Together these five companies write most of the insurance business in the market, including all the business of Kuwaiti Oil establishments and other major public concerns.

Khanpuri said that Kuwait also had the distinction of having first national Re-Insurance Co. No market is complete in itself unless there are local reinsurance companies which would guarantee a healthy competition, and a good value for money to the public and full security to the clients.

Kuwait insurance market fulfils all these conditions, and the presence of reinsurance companies of different nationalities in the market contributes towards this objective.

No new foreign insurance company has been allowed during the last thirty years or so. Hence all these foreign companies have a minimum of thirty years' experience in the Kuwait market.

Some of these companies were established more than 200 years before in the countries of their origin and are international financial giants. These companies provide various classes of insurance at competitive rates and personalised service, and are indispensable part of the local insurance scene.

The Kuwaiti government ensures that such companies maintain enough security deposits locally to meet any likely losses from their operations. "No insurance market would be self-sufficient and independent in nature unless it has internationally known and professionally connected professional surveyors, loss adjusters, brokers, general average adjusters, marine technical experts, technically qualified and profes-



C.S.S. Khanpuri

sional brokers and other similar ancillary services," he added. Kuwait has all these services locally available in abundance and thus the local insurance market is complete and self-sufficient in every respect.

It has annual non-life premium income of about KD75 million and probably this is the

highest in the Gulf.

There is no doubt that the maturity of the Kuwait insurance market and the wholehearted government support for its development is bound to increase the total market premium figures in the not too distant future.

The Kuwait insurance industry is a great national asset. It is a free market. The premium rates are controlled and automatically adjusted by natural market forces, and loss-experiences.

Only the third party motor insurance rates are fixed by the government.

Khanpuri said the government has decided to replace Law No. 24 of 1961 with the new Comprehensive Insurance Law, due to drastic changes in the economic scene of the country and in order to meet the insurance requirements of modern Kuwait.

A comprehensive draft for the

new law has been prepared and scrutinised by a special technical committee in the Ministry of Commerce and Industry.

It is now taking its final shape after a due consideration has been given to the comments already received from some quarters. The draft law aims at providing greater security to the insuring public and stricter control on the operations of insurance and re-insurance companies, specially those of foreign origin.

The agents of foreign insurance companies, have now put forth their view points to the authorities for consideration and possible incorporation in the new law. It is hoped that overall long-range effect of the new insurance law would be further expansion of the insurance industry and its capacity to absorb larger risks, and greater inter-action between the insurers operating in the country.

## UASC committed to serve the Arabian Gulf

MOST probably, the year 1976 represented a historical modification to the Arab Marine Transportation Industry. It was then when UASC was established since a decade and some, according to the Arabian Gulf region which it used to have in the last centuries.

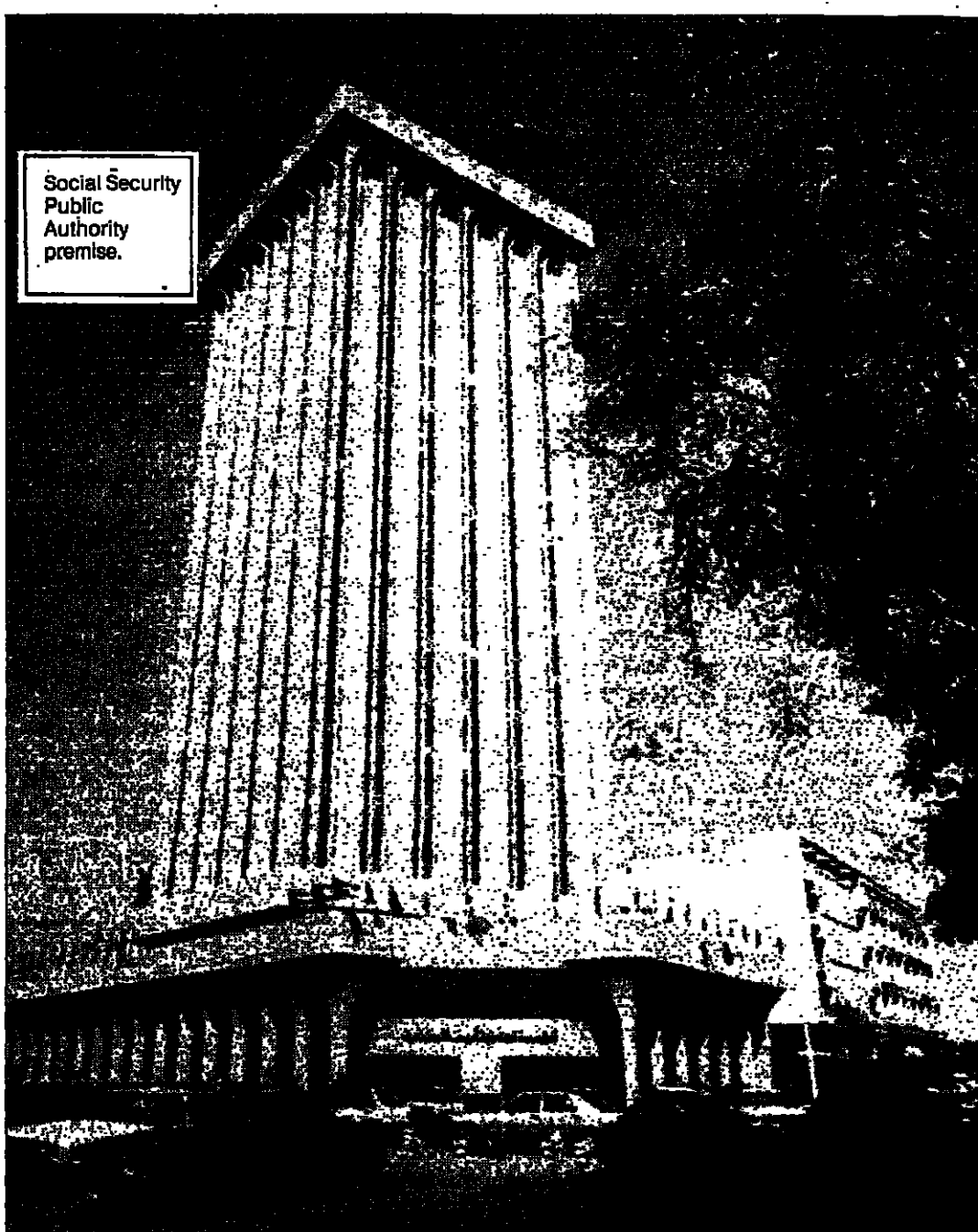
It was for the first time, in modern history that an Arab Shipping Company masters such industry in a very short period of time and to be able to provide distinguished shipping services resembling in quality and quantity to those of foreign shipping companies which preceded it by decades.

It was by the efforts of the six Gulf countries, i.e. Iraq, Saudi Arabia, Kuwait, Bahrain, UAE and Qatar, the company was formed. These countries realised by their efforts and importance of such a substantial joint project as an important strategic utility for the Arabian Gulf region, the fact that days have proved it as the company has met the transportation needs of the region without hesitation, even with the dangerous conditions exposed on the sailing ships.

However, the role of the company was not limited to providing reliable shipping services but it exceeds that to include representation of the region in the International Shipping Conference and in defending its vital interests and in particular, securing the best of shipping services at competitive and reasonable prices. Had it not been for the distinguished existence of this company in such circumstances, the monopoly market would have been there causing harmful effects on the region's trade.

Positions

The company is also practicing many strategic tasks, bearing high costs without achieving concrete revenues. For instance, the company is adopting an ambitious training programme to qualify manpower from participating countries in the different fields of specialties, required by the marine transportation industry and thereafter qualifying them to hold the leading positions in the future. The company in this respect, as it appears is contributing effectively in passing technology and developing the human skills of



Social Security Public Authority premise.

the region's citizens.

As for the flourishing of the marine industry during the period after the war, the UASC chairman in his annual message said: "During the past eight years, and under difficult international and regional circumstances, UASC continued to operate and render its services despite all tension that shadowed shipping in the Arabian Gulf owing to the Iraq-Iran war, while

well-known international companies withdrew from serving the area. Moreover, UASC has doubled its efforts to lift different cargoes under difficult shipping atmosphere which led to the decrease of its financial and operational results due to general recession in the trade of the area under the influence of imports' decrease.

On the operational and financial results of the year 1988, the

chairman added: "Subsequently, our results in the past year dropped. But we cared only for our role within the most important frame of UASC's strategies as a national project which endeavors to achieve objectives far beyond the commercial dimensions."

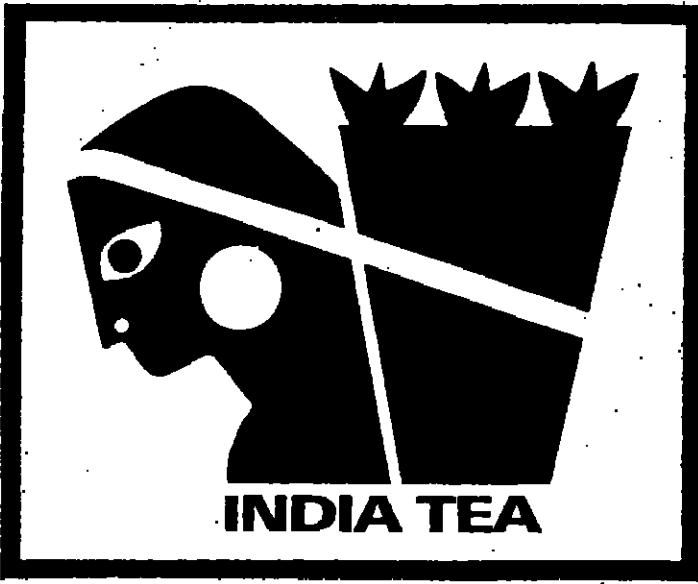
New positive events in the prevailing conditions of the

(Continued on Page 21)

**Dear Consumers**

*When you buy a packet tea or tea bags please check following identification marks:*

**LOOK FOR THIS SYMBOL**



**INDIA TEA**

*Name & address of Indian exporter*


**For pure & genuine Indian tea**

**The World's No. 1**

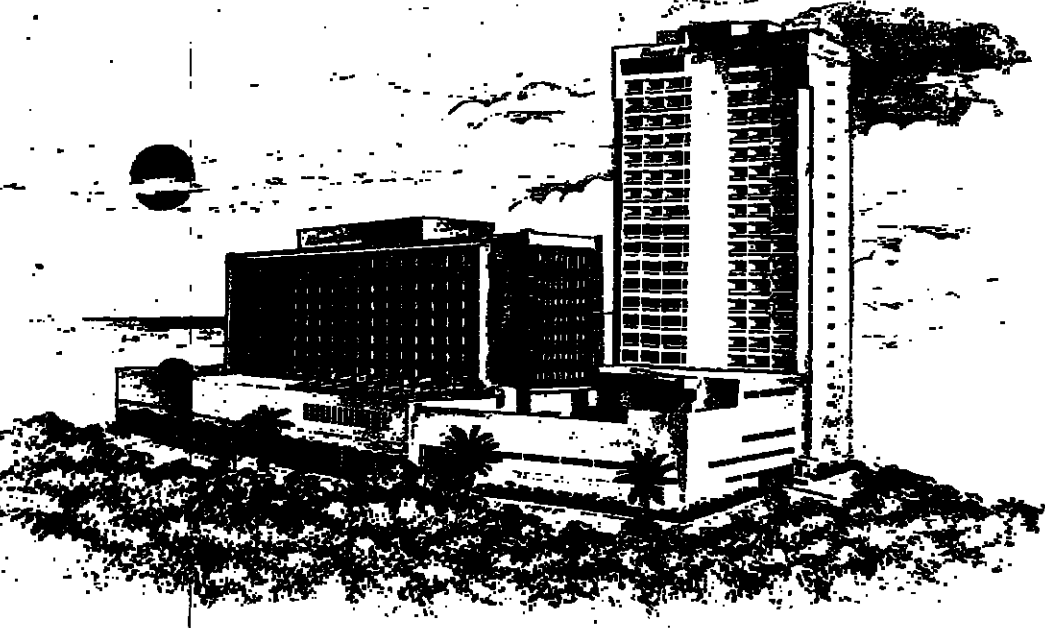
For further information:

Director of Tea Promotion  
Tea Board of India  
C/o Embassy of India

P.O. Box 1450  
Safat 13015, Kuwait  
Phone: 2419420 Tlx: 44635 DTPKWT



**فندق الكويت انترناشيونال**  
**Kuwait International Hotel**



**Location**  
Overlooks the Arabian Gulf, centrally located close to the city's business and commercial centres.

**Accommodation**  
406 first class rooms, includes one Japanese and two Executive Floors.

**Services**  
Several dining choices include a rooftop restaurant for fine dining, a Japanese restaurant, a buffet restaurant and a Coffee Shop.

Recreational facilities include an executive Fitness Centre, two swimming pools, two floodlit tennis courts, sauna and steam bath.

In-house movies.

Extensive meeting and convention facilities.

The Business Centre provides secretarial and

translation facilities, courier service, Reuters World and Financial News Report.

Complimentary airport and city transfer.

Extensive shopping arcade.

**Reservations**  
Kuwait International Hotel  
P.O. Box 5998, 13060 Safat, Kuwait  
Phone: 2552690 - 2533000 - 2530000  
Telex: 22039 Hiltels KT  
Fax: 2563797

Represented by **nikko hotels international**  
Toll Free in U.S.A. and Canada  
1-800 Nikko - U.S.A. (645-5687)  
U.K. 01-0800-282502  
Hong Kong 5-234318  
Tokyo 03-281-4321  
Or call your local Japan Airlines offices.

**"Hospitality is Our Business"**



## Call to develop engineering industry

(Continued from Page 17)

liquefied gas were available for export. The GCC states except Oman produced 21 tons of different types of liquefied gases.

The production capacity of nitrogen fertilizer factories in Saudi Arabia, Kuwait and Qatar amounted to about 2.8 billion tons a year. The states of the area totally produce more than 22 million tons of cement a year, he said.

### Capital

Saqer pointed out that basic industries strongly require the energy, big capital and sophisticated technology. The authorities in the GCC states should follow up the scientific research and development plans to secure continuation and success of these industries.

He added that there are some difficulties that may increase challenges that face basic industries in the Gulf region which are:

- Probability of a big change in facilities and merits given for factories and industrial projects in the area because of the international prices of energy, scarcity of capital, increase of costs of these projects, using the insufficient technology and neglecting the training of national cadres, and maintenance works as well as research that increase the costs of production so they will not be able to compete in the international markets.

- These industries mainly depend on international markets which are controlled by small groups which take decisions according to their own interests which are not convenient to interests of Arabian Gulf states.
- The similarity of industrial structure in the GCC states which increases the competition among products of GCC states in the international markets in addition to the sharp and unfair competition from the international producers.

Al-Saqer pointed out that several factories were built in the region beside the basic industries such as foodstuffs, clothes, furniture, paper, plastic products and construction materials. These factories were built by the private sector and considered middle and light industries.

He added that GCC states did not build their factories accord-



Treasury services: world-wide trading around the clock—source NBK

ing to a policy of integration or co-ordination. The GCC states have a limited market so it is difficult to build or carry out great industrial projects depending on the local market.

The Gulf markets are still widely open towards the foreign countries because of low customs duties which also increase competition in these markets.

These factors led to the increase of costs of production, he said.

He pointed out that despite the announced intentions to allow the private sector in GCC states to play an important role in the economic activities, the industrial development still depend on the public sector in carrying out and running the industrial projects specially basic and large

industries.

The private sector is only carrying out the middle and light industries. For instance in Kuwait, the investments at the conversion industries sector reached KD1285 million between 1976 and 1984.

The private sector contributed only in 17.8 per cent of these investments while public sector covered 82.2 per cent. He added that GCC states can not justify why they are still holding the heavy and large industrial projects and do not leave them for the private sector.

These states did not make any effort to change this situation. This led to appearance of excess in the government staff. The private sector still having abilities to carry out and run the

great industrial projects because it is free of government routine and flexible besides the ability to run these projects by national cadres.

### Efforts

The official pointed out that efforts of the GCC states should focus now on increasing the productivity of present industries instead of increasing number of factories or other industrial installations.

This requires taking steps to solve problems that prevent merging some industrial installations. This also requires a co-ordination in marketing, training and maintenance among the GCC states.

He added that GCC states will continue to depend on the petrochemical and oil industries

proved they are not abiding by their obligation when they were needed unless we establish a local engineering industry to provide these installations with spare parts and required equipments." The chamber chief said: "We also should develop our engineering industry to meet our defence requirements."

He said that although the control and direction of economic development will remain in the hands of governments, but this should not necessarily mean that governments should own means of production by the public sector. Way must pave the way for the full contribution of the private sector in economic development in general and industrial development in particular. Thus governments should study obstacles facing the private sector in playing its role.

He also called for the gradual transfer of the ownership of basic and major industrial projects from public to private sector. He was particular in stressing upon the need of the private sector in the joint Gulf industrial ventures.

### Benefit

He said that the maximum benefit that customs protection can provide to industry is to increase its share in the local markets, but it must be remembered that no single market in any of the GCC member states is capable of providing success to industrial projects. Thus, expanding the local market alone is not enough to provide success to the industry and doors must be opened to export. Here, he insisted, emerges the importance of the Gulf joint market as a major attempt to expand the single state-market into a larger regional market.

This will provide a good base for the Gulf industry to emerge to other Arab and foreign markets. He insisted on the importance of industrial co-ordination among the GCC states in order to prevent identical industrial projects existing in several member states.

But he stressed that regional economic co-operation among the GCC states won't achieve its noble objectives if not looked upon as part or a stage towards achieving Arab economic integration.



Kuwait Pharmaceutical Industries Co.

## Oil firm spreads its wings

(Continued from Page 17)

drop in oil prices and other problems, chairman of the Corporation and Minister of Oil Sheikh Ali Al Khalifa said in his introduction to the KPC annual report. These profits increased one and a half times more than the previous year.

The report covered the period from July 1, 87 to June 30, 1988. The chairman's introduction said that the OPEC share in the increase of demand for oil was good and resulted in increasing its supplies by one million barrels. The report said that the KPC through enhanced great efforts and positive flexible policy overcame many obstacles that prevailed in the oil market for several years.

It also succeeded in overcoming troubles that resulted from the Gulf war and attacks on oil tanks.

The KPC through a set of measures succeeded in maintain-

ing its operations and ensured the flow of Kuwaiti oil to various parts of the world, thus ensuring the safety of the main financial income to Kuwait. The KPC effectively continued with its development programme which it started 8 years ago. It went ahead in completing the development of its production, administrative and marketing structures and carried out the execution of its capital projects spearheaded by the modernization of refineries in Kuwait.

It executed a number of other important projects including the new reservoir in Ahmadi, the Polypropylene factory, it bought two new tankers, thus increasing its tankers fleet including the six tankers under construction to 30 tankers the capacity of which is more than 2.5 million metric tons. This will help the KPC carry out its marketing policy effectively.

The KPC paid great attention to employing nationals in its

various companies and sections. The KPC has achieved in the past few years important achievements to make it a giant company and enable it manage Kuwait's oil interests in the best way.

The KPC annual report said that the Corporation continued in its various oil-oriented activities. It continued its activities in exploration and excavation for oil in the country and conducted several geological studies in the present oil fields. A total of 16 oil wells were dug, 15 of them for improvement purposes, 6 more are under-digging.

During the same period, 237.7 million barrels of oil were refined in the three local refineries, an average of 650,000 barrels a day which shows an increase of 11.9 per cent from the previous period. The quantities of oil products was 31.8 million metric tons against 28.5 million tons in the previous year, an increase of 11.6 per cent.

### Prices plunge

## Growth prospects still strong

1988 was a remarkable year for the world economy as a whole and for the developed economies in particular. It began in the shadow of the most significant stock market crash since 1929, with prices plunging on world equity markets, and with massive imbalances in the external accounts of the US, Germany and Japan. Pessimists saw these events as a precursor to slump in economic activity in the industrialised countries that would affect all the economies of the world.

But the slump did not happen and instead there was a continuation of the sustained period of growth that began in 1983.

The decline in demand did not materialise partly because only paper losses were incurred by investors. A more important factor, however, was that government policies in the wake of the crash were to lower interest rates, thereby increasing liquidity.

They further declared their readiness to take whatever measures required to prevent a slump. In this way government policy helped talk the market out of a recession.

Growth was maintained in 1988 with overall real GDP growth in the world economy ranging from 3.1 per cent to 39 per cent, according to Commercial Bank of Kuwait. For the industrialised countries GDP growth was around 3.9 per cent, compared to 3.1 per cent achieved in 1987, and a whole one percentage point higher than was predicted at the beginning of the year.

On the basis of provisional figures, the United States, Germany and Japan grew at 4.3 per cent, 5.9 per cent and 2.9 per cent respectively, carrying with them the other developed and developing economies.

A significant factor behind the growth, was the increase in business investment to the extent of some 12 per cent in the major economies in 1988. The boom conditions contrasted with the expected slump, creating market uncertainty. The expansion in demand forced a reversal of interest rate cuts in order to control inflation. At the end of 1988 interest rates were higher than they had been since 1984 in the United States and since 1982 in the United Kingdom.

Slower rises in Japan and Germany nonetheless left interest rates at the end of 1988 at their highest levels since 1986. Hence the differential between the interest rates of the major economies increased over the year. Unanticipated growth in

demand also created inflationary pressures and the fear of inflation was evident in 1988. Consumer prices rose faster in the major economies in 1988 than in 1987. But these figures have to be kept in perspective. Inflation is currently running at around 4.2 per cent in the US, 1.1 per cent in Japan and 1.6 per cent in Germany compared to the levels of the 1970s and early 1980s, these are relatively low levels of inflation.

The key factors that cause inflation are a high level of capacity utilisation, increases in the prices of imported materials, and labour cost pressures. Capacity utilisation in 1988 was tight in the industrialised countries, but capacity-expanding investment to be continued without undue inflationary pressure.

Imported raw material prices have risen in dollar terms for almost all commodities except oil, but the overall impact of this has been small (partly because the dollar has fallen) and is likely to remain so. Labour costs are generally under control, although the labour markets are tightening in most industrialised countries. The overall impact of all these factors, according to most forecasters, is predicted to be only a small increase in inflation in 1989.

The sustained growth and stability of the world economy in 1988 also took place despite deep and persistent external imbalances between the major economies: The external deficits of the United States, and to a lesser extent the United Kingdom, have been matched by the surpluses of Germany and Japan.

The central issue in the industrialised economies has been how to readjust these imbalances without creating a world recession or increased inflation.

The need for international co-ordination has been clearly recognized in joint communiqués at major economic summits during 1988. Unfortunately, the surpluses and deficits remain large, suggesting that co-ordination has been weak. For 1988 OECD provisional figures indicate that the US current account deficit was \$150 billion, compared to \$161 billion in 1987. The surpluses of Germany and Japan, which had been \$44 and \$87 billion respectively in 1987, were \$3 billion and \$47 billion in 1988.

The Kuwait economy is continuing to be resilient and stable in the face of disruption caused by unstable oil markets and the Gulf conflict. Between 1985 and 1986, the price of oil, which still accounts for 38 per cent of GDP

and 90 per cent of export earnings, fell from \$26.6 a barrel to \$11.1 per barrel. In spite of this massive decline in price of 58 per cent, the fall in GDP was kept down to 17 per cent in 1986 in comparison with 1985, largely by increasing the volume of crude and refined oil that was exported.

Between 1986 and 1987, average oil prices rose by 22 per cent to \$13.5 and the volume of oil exports was down about four per cent. During 1987 the economy registered, according to provisional figures, a growth of 13 per cent in current GDP. This arrested the continuous fall in GDP since 1982. For 1988, it is hard to tell what picture will finally emerge. On the basis of the figures for the first six months, oil prices were averaging \$14.5 a barrel and exports of oil were running at around a million barrels a day, compared with 1.28 million barrels a day in 1987.

The Gulf war has made it difficult to carry on normal trading activities. By 1986 the lucrative re-export trade was 62 per cent below its 1981 value in nominal terms. In spite of these difficulties, the movement of oil, which is the lifeblood of the economy, was maintained. But costs have undoubtedly been incurred as a result of the war and, if the ceasefire in the Iran-Iraq war holds, it is expected that economic benefits will be realised in the future.

The vagaries of the oil market have encouraged efforts to seek to stabilise oil-derived income. One approach has been domestic downstream integration, which entails the sale of more refined and less crude oil. The advantage of this is that when oil is in surplus and prices are low, prices of refined products fall less than those of crude and earnings are protected.

This policy has worked well and Kuwait has increased the share of refined oil exports in its total oil exports from 15 per cent in 1979 to 43 per cent in 1987. In the first six months of 1988, this share jumped to 55 per cent. Hence the cuts in overall production undertaken in 1988 to keep within the OPEC quota have almost all been applied to crude oil exports.

Further international downstream integration resulted in the purchase of a huge plant in Italy (to add to the two refineries in Europe) and petrochemical interests in the US, Tunisia, Turkey and China. In addition, the growing network of petrol stations in Europe gives Kuwait a significant share of the retail market in Denmark and the UK. As a result of the overseas refining and distributing.

## Bright forecast for Gulf economy

ALI AHMED AL GHANIM AL JABER, the Chairman of Kuwait Hotel Company has said the outlook for the Gulf economy is changing for the better after the Gulf war ceasefire. "We expect further improvement in overall growth rate in the Gulf, during the next two years."

He added "we think that, under the umbrella of the Gulf Cooperation Council (GCC) there is room for further development of the national industries which will increase inter-Gulf trade and decrease the dependence on foreign imports. Dubai is actually setting the pace for this trend."

Over the past years 3 local international hotels have been taken over by local management companies. The dependence on foreign expertise will further diminish and local establishments will acquire a greater role in running the hotel industry. After the takeover of the Hilton by Kuwait Hotels Co., comments from the hotel guests and the market have been very positive. Room occupancy of the Kuwait International Hotel has not dropped compared to last years results under the Hilton management.

Al Ghanim said according to the statistics of the Kuwait Owners Hotels Association foreign visitors to the six major hotels in Kuwait have increased for the first quarter of 1989. However, "we feel that this increase is due to the expectation of foreign businessmen that things will be better in the Gulf, not so much on an actual improvement of the economy. Relaxation of visa regulations will also help boost hotel industry."

He said the government has not taken any steps to promote tourism from abroad.

Local tourism has been developed by adding many projects such as Khiran Resort, Water Front, Clubs, etc. Khiran Resort is a typical example of the possibilities to spend a weekend away from home in Kuwait.

Al Ghanim said Kuwait Hotel Company is presently restructuring its ranks to cater to the needs of the future. Hotels in Egypt and North Africa will be added shortly to their portfolio.

# SIGMA

AUTO-FOCUS LENSES!  
 AVAILABLE FOR PENTAX, NIKON,  
 CANON, MINOLTA AND OLYMPUS



شركة بوشهري للأفلام الملونة  
**BOUSHAHRI COLOR FILM CO.**

SAS 5657000	Salmiya 5751593	Dahlah 2540513	Fahadhel 3918788	Al Muthanna Shop No. 142 3919185 Tel. 2408126
Hadiya Co-op Shop No 12 3948753	Farwaniya 4740732			



BUSINESS SURVEY ON KUWAIT:  
AN ARAB TIMES SUPPLEMENT

MONDAY, JUNE 5, 1989

# UASC committed to serve ...

(Continued from Page 19)  
world as well as the trade of the area have occurred in 1988. One of these events is the cease-fire in the Iraq-Iran war, which has produced an air of optimism in the commercial circles operating in the area during the last quarter of the year.

**Prosperous**  
Shipping markets witnessed continuing development, as freight rates of all commercial lines including those servicing the Arabian Gulf trade have increased. Though liftings to the area were at a modest level compared with the early prosperous years till the beginning of the eighties, USAC has benefitted from the overall conditions of the market to improve its financial results.

UASC has endeavoured to develop its commercial and operational policies within the frame of its strategic plan in order to cope with the new events in the market as well as the trade of the area. Thus, it concentrated on the strategic objectives in order to achieve them in better circumstances.

Accordingly, UASC has taken several steps which had major effect on the achievement of positive results during 1988; Optimum utilisation of the 14 container vessels and 15 general cargo vessels of K class was achieved. Meanwhile chartering out of 17K class vessels continued. In addition one vessel,

which was entrapped in Umm Qasr, due to the war, has been released. Rationalisation of expenditure, as well as the application of modern technologies in order to increase the performance efficiency of UASC's staff have also continued whilst UASC's subsidiaries and joint ventures proceeded on its ascending success.

**Results**  
All these matters helped the attainment of important achievements during the year yielding better financial results. UASC achieved operational profit of KD17m compared with operational loss of KD1.5m in 1987. It performed 48 voyages for general cargo lines in 1988 where 1.1m freight tonnes were lifted from different sources compared with 62 voyages lifting 1.39m freight tonnes in 1987. 145000 TEUs, were lifted and 22000 slots were sold in 1988 on container lines against 14100 TEUs and 18000 slots sale in 1987.

These achievements have emphasised the ability of UASC to overcome such tough circumstances and to adapt with the new conditions and requirements of the area, thus realising its important strategic objectives.

But UASC is still keenly looking forward to the help of the private sector establishments and corporations and to the support of this vital sector for which it has employed its maximum capacities in order to avoid

maritime fraud and commercial exploitation by foreign shipping companies.

UASC takes this opportunity to call up the companies of the private sector to transport its merchandise on board our National Fleet to serve our national economy and to safeguard our national sources from being misused.

UASC is confident that National Companies will spare no effort to contribute to such constructive co-operation.

## Voyages

UASC possesses 48 vessel fleet, consisting of container-vessels and general cargo vessels. Through this fleet, the company's offices and branches and the company's agents net work distributed all over the world provides distinguished services. 15 container vessels make two voyages every month from the East Coast of North America to the Arabian Gulf & Red Sea ports and 4 voyages monthly from Europe to the Arabian Gulf and Red Sea and three voyages every month from the Far East to the Arabian Gulf and two voyages to the Red Sea, in addition to the general cargo services provided by the 33 (K class) vessels.

The two subsidiary companies, which are fully owned by UASC, provide a wide chain of distinguished services related with cargo transportation on behalf of importers and exporters' interests.



Shuaiba Port, where expansion of administrative, security and cold-storage facilities are planned.

# INDIA

# 7

## flights a week from Kuwait

6 times a week to Bombay (5 direct flights, one via Delhi), twice a week to Delhi (one direct, one via Bombay), once every week to Trivandrum and once a week to Goa via Bombay. Now, is there any other choice?

**MORE NONSTOP FLIGHTS**  
**MORE ENTERTAINMENT**  
**MORE DELICIOUS FOOD**  
**MORE COMFORT & CARE**

**AIR-INDIA**

# New GCC construction activities decline

## Infrastructural projects

WITH the completion of the major infrastructural projects, new construction activities in the GCC region recorded a sizeable decline in the last few years. After reaching a peak of \$37.5 billion in 1982, the value of contracts awarded in the six Gulf countries dropped to around \$5.4 billion in 1987, less than 15 per cent of the peak level, according to Gulf International Bank (GIB) economic report.

Construction activities appear to have stabilised last year and 1989-90 promise to be hopeful years for the construction industry. An index of construction activity based on published information about contracts awarded during 1988 shows a slight upward drift in new work to have been carried out, suggesting that the downward trend of the last six years may be reversing. The slow but steady flow of new work helped turn the index of work in progress around, replacing some 60 months of decline with a slight upward drift through the year.

The report says, the average share of new work carried out in the six GCC states during the period 1984-1988. Saudi Arabia's share of contracts monitored fell from 95.9 per cent in 1984 to 47.3 per cent in 1987 before rising to 56.4 per cent last year. Kuwait maintained second place with 20 per cent of the total in 1988 up from 2 per cent in 1984 but down from its 1987 market share of 31.7 per cent. The UAE came up rapidly from less than 1 per cent of Gulf market share in 1984 to 13.4 per cent last year.

The construction industry is picking up in the UAE with a mini boom reported in Dubai. The surge in construction activities is accompanied by a 15 per cent to 20 per cent rise in prices of building material together with a noticeable upturn in rents. The emphasis is more on residential and commercial buildings, light industries, and few large infrastructural projects.

Bahrain's share of the region's new construction work also increased considerably last year rising to 4.25 per cent from 0.22 per cent in 1984. The construction industry on the island is looking up given the expansion programmes being introduced by the Bahrain Petroleum Company, Aluminium Bahrain, the Bahrain National Gas Company, GPIC and other smaller industries.

Oman's share of new work in the GCC region has dropped to 2 per cent in 1988 compared to 11.6 per cent in the hey days of infrastructural development in 1986. Qatar's share rose to 3.85 per cent last year, its highest percentage level ever mainly due to the commencement of phase one of the North Field Gas project.

The contract market in the region is still considered quite sizeable by international standards. Total spending on construction by private and public

FLOOR AREA APPROVED FOR CONSTRUCTION (000) SQUARE METRES						
Period	Residential	Private Sector Retail	Industrial	Commercial	Total	Public Sector
1982	2770	0	347	920	4037	262
1983	1099	820	402	422	2743	601
% change	-60.3		15.9	-54.1	-32.1	129.4
1984	1390	694	337	175	2596	84
% change	26.5	-15.4	-16.2	-58.5	-5.4	-86.0
1985	980	268	85	241	1574	185
% change	-29.5	-61.4	-74.8	37.7	-39.4	120.2
1986	1796	430	115	121	2462	277
% change	83.3	60.4	35.3	-49.8	56.4	49.7
1987	2700	370	80	75	3225	163
% change	50.3	-14.0	-30.4	-38.0	31.0	-41.2
1988	3290	482	49	168	3989	621.1
% change	21.9	30.3	-38.8	124.0	23.7	281.0
Jan/89	118	115	27	59	318	25
Jan/88	180	66	3	21	270	57
% change	-34.5	73.7	802.6	178.8	17.8	-55.3

sectors in 1988 is estimated by the Union of Arab Contractors to be around \$30 billion for new work as well as work in progress. The emphasis, however, is changing from the high growth sectors of the 70s (roads, harbours, transport, electricity, schools, telecommunications and public facilities) to managing and maintaining the already built infrastructure, health and human resource development, housing, industry, minerals and other natural resources.

Spending on large projects cannot end overnight. It will take some time to be phased out. For example, in the aviation field, even with the decline in oil revenues, countries of the region are planning to spend more than \$5 billion on airport construction and related civil engineering projects by the end of the next decade.

According to the London-based Export Group for the Constructional Industries, new contracts obtained during the 1988 fiscal year by British contractors alone exceeded one billion in the Middle East region. The New York Weekly Engineering News Record reported that US contracting and consulting companies won more work in the Middle East last year than in any other region, with total billings exceeding \$570 million accounting for 23 per cent of their earnings abroad.

As the emphasis has shifted from complex construction projects to more basic building work, pressure on foreign contractors has intensified. Their strength is in areas most affected by the downturn: they have little chance of breaking into the lower-technology end of the market where local firms enjoy a near-monopoly. Local concerns have increasing technical expertise and are also often favoured by government policies that stress the involvement of national companies in construction projects.

The number of foreign contracting companies were therefore reduced considerably. Most of them left when the boom period was over. The remaining ones hope for a revival in the market and are confident of win-

ning projects because of their international experience and technical supremacy. Now companies may have to decide about their continuing presence in the region based on a series of smaller, perhaps contractor-conceived projects, rehabilitation, operation and management contracts of various kinds.

The drop in advance payments, delayed progress payments, lack of financial assistance and guarantees are the vital issues confronting those in the business. Not all government contracts include a requirement for advance payment and where advance payment is approved it would not exceed 10 per cent of the value of the contract. Severe competition has brought profit margins to an all time low. Contractual obligations are now followed very strictly, and the mentality of "get it done at any cost" of the boom years is over.

There is a new breed of clients in the Gulf region, better educated and informed than ever before about development needs, and they are now insisting on higher standards of construction. With more and more local participation in the construction sector (while still relying heavily on imported labour force), joint ventures between foreign and local companies could well give the international partner a competitive edge when bidding for projects in the region.

Maintenance of public services and infrastructure, already constructed during the last decade, is providing lucrative contracts. Although the maintenance industry is still in its infancy, there is great potential in this field, with 60 per cent of construction costs being spent on such services as power, water, drainage, air-conditioning and replacement of material and parts. The only two sectors to be granted increases in this year's Saudi budget are health and human resources.

The allocations made to these two sectors of around SR35 billion (\$9.3 billion) accounting for more than 25 per cent of total spending show the high cost of maintaining the kingdom's extensive health care facilities,

schools and university. Of course a good part of the allocations made to other sectors (infrastructure, transport and communications, utilities, industry and petroleum) also goes towards operation and maintenance of these facilities.

Total contract awards of the six GCC states reached \$5.4 billion in 1987 slightly higher than the year before but far below the peak level of \$37.5 billion reached in 1982. The average price per project also dropped to \$23.9 million, one quarter of the peak figure of \$84.9 million. Even though monetary values of orders from Saudi Arabia in 1987 was around 10 per cent of its corresponding level in 1982, these orders recorded their first increase in seven years rising to \$2.91 billion from \$2.76 billion in 1986. Kuwait's projects orders also showed their first increase in five years in 1987 rising from \$1.15 billion to \$1.39 billion.

Orders for "housing," "urban development" and "public buildings" almost doubled in 1987 to \$630 million. New orders in Bahrain tripled in 1987 reaching \$236 million but still far below the peak of \$566 million in 1983. UAE's project orders have been drifting upwards during the last four years, while those of Qatar and Oman recorded major declines in 1987 on the year before.

Although the overall project market has been declining since the oil boom, "defence," "housing" and "power and desalination" fields continue to account for large shares. In 1987, "defence" projects accounted for \$2.7 billion or 16.2 per cent of the market, the highest share of any field. The corresponding shares of "housing" and "power and desalination" were 13.9 per cent and 15 per cent respectively.

Activities in these sectors have been less affected by the overall decline in development expenditures. While the entire market has declined by 73.7 per cent since the oil boom, "defence" has only dropped by 47.1 per cent from its peak orders and the corresponding drop in "telecommunications and computers" was 62.5 per cent and "power

and desalination" 63 per cent. The largest decline in contract awards was recorded in "industry" (90 per cent), "housing and urban development" (81.3 per cent), "agriculture" (72.6 per cent) and "other fields" which include public amenities, health, education and civil aviation (82.2 per cent). This reflects mainly the general levelling off of infrastructural construction activities and the re-ordering of priorities in favour of such sectors as "defence," "computing," "water" and "petroleum."

Project orders for repair and maintenance of existing plants were also on the rise during the past four years in a row with the monetary value of these projects reaching \$400 million in 1987. While the number of projects in this sector has been increasing, the average contract value in 1987 was \$8.8 million, much smaller than the years before, with the bulk of orders (82.7 per cent) awarded for local firms.

An analysis of countries receiving contract awards in the GCC region over the period 1974-1987 shows a decline in the monetary value of contracts awarded to companies from Japan, UK, and eight other countries (including Canada, Holland, Turkey and China) in 1987 compared to 1986, while American, West German, Italian, French, Korean and local GCC contractors have recorded an increase in new contracts.

Orders have steadily decreased for Japanese and British companies since 1981, with declines of 86.2 per cent and 73.4 per cent respectively between 1980 and 1987. American, German, French Italian and Korean companies recorded a turn around in orders in 1987 after five consecutive years of decline. The largest increase was experienced by companies from the USA (36.9 per cent), followed by French companies (28 per cent), German (25 per cent), Italian (17.5 per cent) and Korean (15.7 per cent).

The award rate of local companies has been steadily increasing with a 60 per cent jump recorded in 1987 on the year before. Their percentage share of the total market reached 20 per cent in 1987 compared to just 5.3 per cent before 1980. The work of local companies was concentrated in such construction fields as housing, public amenities, roads and public buildings.

There is a general trend spreading throughout the region to encourage local contractors. Saudi Arabia requires foreign contractors to sublet at least 30 per cent of all public sector contracts to local contractors. Kuwait has raised the percentage to 40 per cent and the two countries restrict certain construction activities (small and medium size buildings, roads, bridges, etc.) to local contractors only. Qatar and

(Continued on Page 22)

## THE WORLD... ON US

**We charge you later...**

Shop, travel and entertain with Visa Classic, Visa Premier and Mastercard from The Gulf Bank.

Worldwide acceptance at 6.6 million outlets in more than 180 countries.

Cash withdrawals from 33,000 cash dispensing machines and 250,000 bank branches around the world.

Visa Classic Card costs only KD. 25 for enrollment and KD. 15 as your annual subscription.

Visa Premier costs KD. 60 for enrollment and KD 30 as annual subscription.

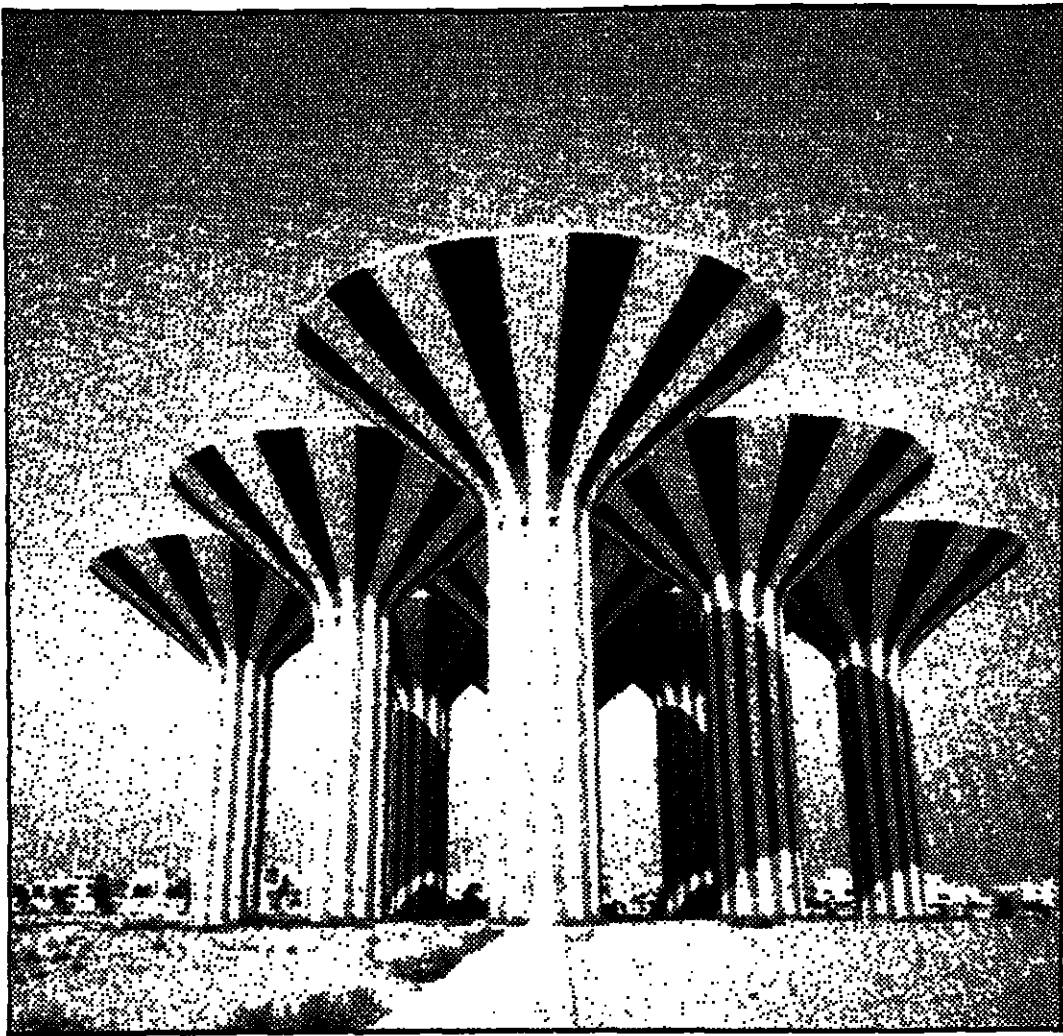
Mastercard costs KD. 20 for enrollment and KD 15 as annual subscription.

Visit any of The Gulf Bank Branches or call Card Products Division Tel. 2437538

FINDING NEW WAYS TO HELP YOU.

for further information and reservations, please contact Tel: 2438184 Kuwait or your Travel Agents.





Striking striped water towers enliven the country's landscape.

Construction sectors get more facilities

## Real estate prices moved up

KUWAIT is a mono-resource economy. Between 1974 and 1980 crude oil contributed on the average 66.8 per cent of the GDP. 82.0 per cent of public revenues and 93.2 per cent of export proceeds, according to the Industrial Bank of Kuwait's annual report.

Oil revenues helped Kuwait to maintain both high levels of investment and growth rates. During the above mentioned period, gross investment represented on the average 13.3 per cent of the GDP while real non-oil GDP registered an annual growth rate of 10.2 per cent.

However, the relative importance of the oil sector started to decline appreciably during the last few years. Between 1980 and 1987 the GDP generated in the oil sector retreated from 65.2 per cent to 41 per cent of the total GDP. This dwindling role of the oil sector does not reflect genuine diversification and a dynamic expansion of the non-oil sectors.

It is rather an expression of the vulnerability of the Kuwaiti economy to the vicissitudes of the international oil market.

Kuwait has been making efforts to counter-attack the negative influences of the international oil market by increasing its refining capacity and through a strategy of expanding downstream activities.

Besides, the Kuwaiti economy is characterised by limited domestic absorptive capacity. During the period 1980-1987, net investment represented on the average 29.5 per cent of net savings.

The excess of savings adds to Kuwait's capital stock invested abroad. Investment income from abroad is an important feature of the Kuwaiti economy both as a source of income and as a means of diversification. During the period 1980-1987, net invest-

ment income from abroad represented on the average 20.4 per cent of Kuwait's GNP.

Despite the decline in oil price, the Kuwaiti economy entered 1988 with more assured steps on the road to balanced economic growth. Thanks to the Central Bank's difficult debt settlement programme the economy was able to get off its shoulders a very intricate burden which had nearly crippled its movement in the last few years.

Moreover, the lower structure of interest rates, introduced in 1987, was a new factor that embodied the potential of boosting domestic demand. The glimpse of revival in domestic economic activities in 1988 could easily be traced in the movement of three sectors i.e. real estate, construction, and trade (wholesale & retail) which together constitute on the average over 50 per cent of the non-oil output of domestic production activities (excluding refining and government conventional services).

Real estate prices moved up on the average around 15 per cent during the first half of 1988, as compared to the second half of 1987. The upward movement reached over 25 per cent in certain areas. Private construction permits increased by 34 per cent during the first half of 1988, as compared to the corresponding period in 1987. Credit facilities provided to the real estate and construction sectors in the first half of 1988 increased by 10.8 per cent and 3.8 per cent respectively, as compared to the first three quarters of 1987. The second half of 1988 finally witnessed the halt of the eight-year Iraq-Iran war. The news of the truce and the start of the peace talks created an atmosphere of relaxation pregnant with high hopes for a potential boom in the area in general and Kuwait in particular.

Net exports and private consumption demand were the only factors responsible for the growth of nominal GDP during 1987. Net exports accounted for 37 per cent of the increase. The balance of goods and services accounts moved from KD(-73 million) to KD(+233 million). Exports increased by 8.7 per cent while imports declined by 3.9 per cent, compared to 1986 levels.

The termination of hostilities may not have immediate economic effect in 1988, except that to a certain extent the environment of uncertainty created by the war may be alleviated.

However, 1989 could witness the beginning of the first segment of the upturn curve in Kuwait and the area.

An exact quantitative assessment of the movement of the macro-variables in 1988 is difficult to reach at this stage.

Indeed, at the time of writing, all economic macro-variables relating to 1988 are still in the offing.

The last full year for which figures are available is 1987. For this reason, the following macro-analysis centres primarily on developments in 1987.

Nominal GDP recorded an increase of 13 per cent during 1987, compared to a decline of 17.4 per cent during 1986. Such an increase was due largely to the rebound in oil prices in 1987 after the steep fall they experienced in 1986.

Oil GDP (nominal) registered an increase of 21.2 per cent in 1987, compared to a decline of 38.3 per cent in 1986.

Nominal non-oil GDP recorded an increase of 8 per cent in 1987, compared to an increase of 4.5 per cent in 1986. Domestic demand showed an increase of 5.5 per cent in nominal terms, compared to a 4.0 per cent decline in 1986.

Net exports and private consumption demand were the only factors responsible for the growth of nominal GDP during 1987. Net exports accounted for 37 per cent of the increase. The balance of goods and services accounts moved from KD(-73 million) to KD(+233 million). Exports increased by 8.7 per cent while imports declined by 3.9 per cent, compared to 1986 levels.

## New GCC construction activities drop

(Continued from Page 21)

UAE introduced grading of contractors in order to spread the work available and open up more opportunities for local firms.

American companies ranked on top of international firms involved in the region's construction sector capturing 16 per cent of total contracts awarded in six GCC states in 1987, worth \$2.6 billion in 1986. The increase in defence contracts and the commencement of phase one of the North Field gas development project in Qatar in which Bechtel Corporation of the US in partnership with France's Technip, was appointed management consultant, helped boost the share of US companies.

Italian companies came next with a market share of 8.7 per cent or \$1.05 billion in new business. Following the Italians were West German and French contractors capturing market shares of 6.3 per cent and 6 per cent respectively in 1987, both up on the year before.

The market shares of Japanese and Korean companies have been on the decline in the last few years reaching a low of 5.7 per cent and 3.1 per cent respectively in 1987.

The two countries do not have an export oriented defence industry and the large infrastructural projects, where they enjoy a competitive advantage, have been on the decline. For six years in a row Japanese orders have

steadily decreased, with the lowest level since 1974 recorded in 1987, around \$835 million worth of projects.

Turkish firms entered the Gulf contracting market relatively late in the boom years, but managed initially to make headway, largely at the expense of the South Koreans.

In the last three years, however, Turkish companies were marking time, with new contracts in 1987 totalling \$736 million. At the peak of their gains in 1981, the Turks took \$5.535 million worth of new work with Saudi Arabia being their largest market in the region.

**Commercial Bank Credit to the Construction Sector**

After peaking in 1983, GDP generated in the construction sector has been on the decline for most of the Gulf countries. With the drop in public sector expenditures on construction, commercial banks were invariably drawn upon to provide the required financing. The rescheduling of existing loans to several contractors in the region and the capitalisation of interest owed had contributed to a larger commercial bank exposure to the sector, more than what normally would have been the case.

Total outstanding bank lending to construction sectors in 1987 witnessed a marginal decrease in the various Gulf countries, with the exception of Qatar and Kuwait where increases of 2.3 per cent and 20.3 per cent were respectively recorded.

Moreover, the percentage share of construction in total outstanding credit facilities extended by commercial banks in Bahrain dropped from 32 per cent in 1982 to 20.4 per cent in 1987, and the corresponding amount of loans given to this sector was \$387 million in 1987 down from \$540 million in 1982.

In Kuwait, even though the percentage share of credit extended to construction was almost static in the last few years, commercial lending to this sector was on the rise in 1986 and 1987.

In Saudi Arabia, while the outstanding credit to the construction sector increased slightly in 1985 by 9.2 per cent, it dropped in the following two years by 2.9 per cent and 6.6 per cent respectively. The percentage share of lending to construction in the country has generally been on a declining trend dropping to 20.4 per cent in 1987 from 28.2 per cent in 1982.

In the UAE lending to this sector was relatively stable during the past six years although the percentage share of credit extended to construction in the country declined from 28.2 per cent in 1982 to 20.4 per cent in 1987.

Oman which was still building its major infrastructural projects in the first half of the 80s had an increased share of total credit going to construction, from 13.5 per cent in 1983 to 18.9 per cent in 1986. However, in 1987 both the share and the amount of construction related credit dropped to 15.6 per cent and \$304 million respectively.

Value of total imports from OECD on the rise

## Soaring oil prices give fillip to economy

LAST year saw the return of confidence and stability to the Kuwait economy after five years of contraction and uncertain expectations. Following several years of contraction, the Kuwaiti economy has lately been showing signs of steady growth. Kuwait's non-oil gross domestic product (GDP) will register an eight per cent growth, while the oil sector GDP will rise by three per cent to lift the overall GDP by six per cent in 1989 according to a leading economist.

The NBK said in its latest Economic Monitor economic growth is also expected to continue this year.

In the absence of a timely release of GDP statistics, economic growth in Kuwait may be detected by examining available imports indicators.

Imports statistics are considered reasonably reliable as a source of information about economic growth in Kuwait due to the relatively high share of imports in GDP.

The following imports statistics tend to be available at a relatively timely fashion: imports through Shuaiba and Doha ports, financing of Kuwaiti imports by local banks, and Kuwait's imports from major industrial countries that form the Organisation for Economic Co-operation and Development (OECD). All these indicators

have shown noticeable improvement in 1988:

■ Imports unloaded through Shuaiba and Doha ports were up by 8.3 per cent, reaching 2.9 million tons.

■ Paid up financing for Kuwaiti imports by local banks in 1988 was KD1,151 million, which represents 14.3 per cent increase.

■ Value of total imports from the OECD countries, available for the first six months of 1988, was \$2,611 million, compared to \$2,187 million in the same period last year, an increase of 19.4 per cent.

Economic improvement in 1988 was also reflected in available figures on the number of projects completed as indicated by the forms filed with the Municipality of Kuwait. Construction completions in 1988 reached 1,612 projects, compared to 1,305 in 1987, a 23.5 per cent rise.

**Rates**

The Central Bank of Kuwait

was authorised in late 1987 to issue Treasury bills and bonds in the amount of KD1,400 million.

In March 1989, the ceiling was raised to KD3,000 million. At the end of January 1989, outstanding public debt was KD1,324.5 million.

In November 1988, the govern-

ment implemented a major overhaul for the country's interest rate structure. The new structure raised interest rates on

both deposits and loans and tied them both to the discount rate set by the Central Bank.

Issuing Treasury bonds and bills put at the disposal of the Central Bank an effective instrument for controlling the country's money supply and influencing economic growth.

During 1988, the Central Bank was an active buyer and seller of these public debt instruments to correct undesirable changes in money supply.

Central Bank's quarterly holdings of local bonds and public debt instruments in 1988 were KD283.9 million, KD360.3 million, KD226.1 million, and KD460.3 million respectively. Its holding at the end of January 1989 were KD394.8 million.

According to the new interest rate structure, interest on contractual loans of less than one year may not exceed the discount rate by more than two per cent.

The maximum margin for

loans over one year may not be higher than the discount rate by more than 2.5 per cent.

A commitment fee of 0.5 per cent has also been introduced on overdraft facilities.

Interest on 90-day fixed deposits may not be lower than the discount rate, and those for 180 days and six months may not exceed the discount rate by 0.5 per cent and one per cent, respectively.

As of mid-December 1988, the Central Bank set the discount rate at 7.5 per cent.

The discount rate, however, is subject to change, depending on economic conditions. In the short run, the new interest rate structure may have an adverse effect on some domestic economic sectors, particularly real estate and construction.

In fact, Al Shall price index for Kuwait's stock market dropped from 42.04 to 40.57 in the period November 23 to December 14, 1988, a 3.4 per cent decline.

In the same period, the real estate price index decreased by 6.4 per cent. In the long run, however, tying interest rates to a well-defined discount rate provides the Central Bank with a flexible instrument to influence domestic liquidity and economic growth in the country.

The closing accounts for public expenditures and revenues in the last two fiscal years reveal some determination on the part of the Kuwaiti government to isolate the budget from fluctuations in international oil prices.

The 1987/88 closing accounts show total expenditures to be KD2,806 million, only two per cent lower than 1986/87.

Total revenues in the same period rose sharply, thanks to increasing oil prices. Total revenues in 1987/88 were KD2,251

million, which represents a 30 per cent rise over 1986/87.

The 1988/89 budget calls for spending KD3,195 million, a 1.2 per cent increase from the 1987/88 draft budget. Of these expenditures, KD657 million were allocated for development expenditures.

The budget forecasts total revenues to reach KD2,055 million, which is 13.8 per cent over the previous budget.

The deficit was expected by the budget to be KD1,345 million. Since then however, deficit forecast was adjusted downward, thanks to rising oil revenues.

In March 1989, the deficit for the 1988/89 budget was estimated by the minister of finance to be around KD800 million.

In the first half of the 1988/89 budget, total expenditures were up significantly despite the drop in oil revenues in the same period.

Government contracts awarded so far in the fiscal year include a KD16.6 million dehydration project, a KD8.7 million supply and installations of secondary transformers for 250 main ring substations, a KD5.6 million TV transmission antenna, and a KD7.9 million project for the modernisation of the central control room at Shuaiba refinery.

## Much, much more than just one of the "Big Four"

You probably think of Nikko Securities as one of Japan's "Big Four" securities houses. But if you think Nikko Securities is big only in Japan, we've got news for you.

Today, Nikko is one of the largest securities houses in the world. Our 18-country network covers almost every field of financial activity. At the end of 1988, we had over US\$260 billion in client assets in custody, equal to 7% of the market value of all stocks listed on the Tokyo Stock Exchange — and more than the total value of the Paris Bourse or Frankfurt Stock Exchange!

We also have some of the world's most advanced Investment Technology (IT). Our Japan Index Strategy, the first to apply a quantitative approach to the Japanese equities market, is one of just a few methods available that can closely track the performance of the Tokyo Stock Price Index, which grew at a remarkable rate of 36.6% during 1988. Nikko Securities' IT-based products meanwhile took first, second, fourth, and fifth places for performance among all investment trusts in Japan that year,\* helping to swell our IT-related assets to over US\$28 billion in just three years.

In other areas, Nikko and its subsidiaries lead-managed 61 debt issues for corporations, supranationals, and governments in capital markets outside Japan in 1988 alone, and have ranked well in the top ten in the Eurobond League for three years running.

Certainly, we have what it takes to meet all your financing and investment needs. Whatever they are. Wherever you are.

Nikko Securities.

Isn't it time you took a closer look at us?

\*Source: Nikkei Money



**Nikko Investment Banking (Middle East) E.C.**

3rd Floor, Unitag House,  
Government Road, Manama, Bahrain  
Tel: 271750 Telex: 9619

**The Nikko Securities Co., Ltd.**

3-1, Marunouchi 3-chome,  
Chiyoda-ku, Tokyo 100, Japan  
Tel: (03)-283-2211 Telex: J22410

The Nikko International Network LONDON ZURICH GENEVA FRANKFURT LUXEMBOURG PARIS COPENHAGEN MILAN MADRID AMSTERDAM NEW YORK SAN FRANCISCO LOS ANGELES CHICAGO TORONTO HONG KONG SINGAPORE SEOUL BEIJING QINGDAO SHANGHAI SYDNEY MELBOURNE



## ARAB TIMES GRAND

## BINGO

COMPETITION NO. 70

## PRIZES

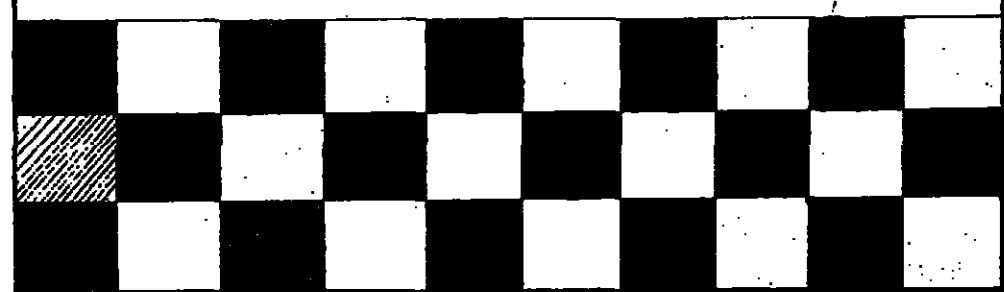
First Full House: KD 100  
Second Full House: KD 60  
Third Full House: KD 40  
Top Line: KD 25  
Four Corners: KD 25

Hurry! make sure you get your Arab Times

## HOW TO PLAY

1. Solve the clue underneath the entry card (below) and enter the number that you think is the answer in the shaded square on the left-hand side of the card. This square must be completed.
2. Now select a further 14 numbers between 1 and 90 inclusive and enter these in the remaining open squares. You should now have 15 DIFFERENT numbers on your card. Please write them clearly, in ballpoint or ink.
3. Fill in your name and address in the
4. appropriate lines on the form, in block letters.
5. Make an exact copy of your 15 numbers on the copy card provided underneath, and keep it so that you can check off your numbers as they appear in the ARAB TIMES every day.
6. Register your Free Bingo entry by sending it to the ARAB TIMES. Read details below carefully.
7. Watch out for YOUR numbers each morning in the ARAB TIMES.

## FREE BINGO No. 70 ENTRY



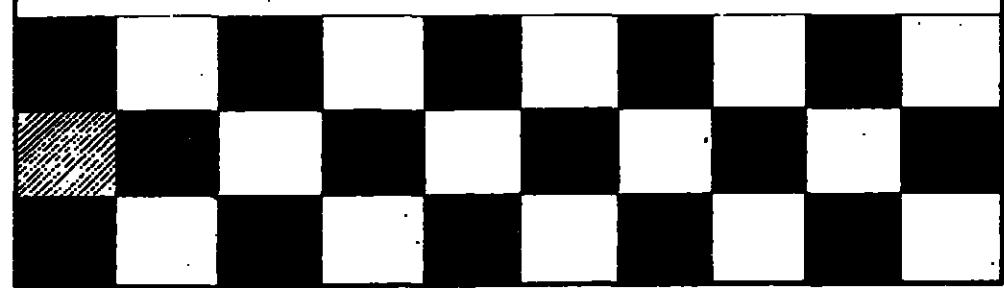
ANSWER THIS CLUE IN THE SHADED SQUARE: THIS GAME

NAME (Mr./Mrs./Miss) .....

ADDRESS .....

IS YOUR NAME ON THE BACK OF THE ENVELOPE?

## FREE BINGO No. 70 COPY



## How to claim

EVERYDAY four numbers will appear on Page Two. A number may be repeated. If this happens, continue with the rest of the numbers. Check off on your copy card the number or numbers which coincide with your selected numbers. Do this every day.

Please make a note of the last number you checked off, i.e. the one that completes your claim. Claimants will be asked to give this number which will decide the allocation of prizes.

When you have a claim, phone: 4813566/272 or 287 between 12 noon and 1 pm. Claims after 1 pm WILL NOT BE ACCEPTED. You or anyone telephoning for you must have your copy card when the claim is made.

Is the initial of your surname in the front of the envelope?

PLEASE PRINT YOUR NAME ON THE BACK OF THE ENVELOPE AND INITIAL OF YOUR SURNAME ON THE LEFT HAND TOP CORNER IN FRONT. This is essential for the speedy checking of claims. Entries received without names and initials as mentioned above will be disqualified. When you have completed your entry

card and copy card and filled in your name and address, send in your entries, by post, addressed to: Bingo, Arab Times, P.O. Box 2270, 13023 Safat Kuwait. A surer alternative is to deliver by hand to the Arab Times, Al-Sayassah Building, Airport Road, Shuwaikh.

## INDIAN VIDEO ROUNDUP

## Echoes of violence

JALAL AGHA'S *Goonj* (Echoes), based on a story by Joy Augustine, attempts to make a political comment. Political cinema has seldom been a strong point of Hindi film-makers. Agha's triumph, if one could call it that, is his sincere approach, too sincere for cinematic impact.

Goonj, unabashedly talks about the turmoil created during the so-called language riots in Goa. Augustine's story traverses a familiar terrain, and as such, he puts the blame on politicians, who in *Goonj*, exploit the situation to their advantage.

Caught in the political web is an innocent, naive college student Sanjay Kamat (Kumar Gaurav), an incorruptible youth pushed into the political arena by a politician.

Much footage is given to the build-up of rivalry between the Hindu MLA Kalekar (Mohan Kothiwari) and the Christian MLA Dennis Pereira (Ravindra Mahajan), each trying to make political capital out of a deteriorating situation.

Director Jalal Agha fails by underplaying the dramatic moments. Reality, in most instances, is drab and dull, when depicted through cinema, it becomes boring, unless dramatised effectively.

*Goonj* may be a thought-provoking movie but it makes tedious viewing; neither moving nor agitating viewers. It's a statement of facts. As such, it lacks momentum and pace. Even potentially dramatic sequences lack the punch like in

the sequence when Sanjay is stoned for allegedly killing a Christian student.

Goonj seems to reflect the director's intent to keep up the "unemotional" portrayal of events, even those potentially disruptive elements that make an impact.

The climax, which was building up to crescendo of excitement ends limply and the monologue, delivered by Jubi Chawla, supposed to echo the apathy of the masses is, like the rest of the movie, a mere tired statement, perhaps, reflecting the political climate.

Jagjit Singh's sedate musical score won't leave a lasting impression.

## Kanoon Ki Awaaz

It's difficult to comprehend the motive behind director P. Chandra Shekhara Reddy's *Kanoon Ki Awaaz*. Story-writer K. Venkata Ramu, tackling the eternal theme of good vs evil throws in comments about high cost of living and unemployment for good measure.

This, as most regular film buffs would know, is not an original theme. Reddy tries to handle it differently, reversing roles (wife believes in law; husband is outlaw) for instant impact. Unfortunately, he loses control, meandering through a beaten track. A viewer's troubles are compounded by an advertising blitz unleashed soon after the credits roll, continuing at 12 to 15 minute intervals.

The role of Raghu fits Shatrughan Sinha like a

glove; never for a moment does he seem out of place whether he is playing a rickshaw or pushing contraband. Raghu's dilemma, in the movie, is to survive or not to. He is there one moment, gone the next, suffering from an inferiority complex because despite holding a master's degree, he is reduced to pulling a rickshaw while wife, Janaki (Jaya Prada) is a lawyer.

Jaya Prada's interpretation of Janaki is tear-soaked and pathetic, embodying the trauma of being an Indian wife in a Hindi film. As such, she takes everything in her stride, including husband Raghu's deteriorating state of mind and his "business" ventures.

The conflict of ideals that Venkata Ramu hints at in the beginning vanishes into thin air. Instead, we see a replay of the run-of-the-mill good vs evil struggle in a familiar setting. Any attempt to discuss unemployment among the educated youth is covered by the overall emphasis on redeeming Raghu and re-uniting him with his family.

Some viewers may enjoy the titillating dance numbers. Jagjit Singh, a fine ghazal singer, display a complete lack of originality and variety in his musical score.

*Kanoon Ki Awaaz* is a forgettable movie.

The above films are by courtesy of Athari Video, Main St., Farwaniya, Tel: 471-2900; and Falcou Video, Main St., Abbasiya about 11a.m.

## WHAT'S ON

## ARTS

**Kuwait Science Museum**  
OPEN Saturday to Wednesday, 8-9 pm only. Natural history exhibits from in and around Kuwait, including blue whale. Closed on Thursday and Friday.

**Islamic Arts Museum**  
SAT - Thurs: 9 am to 12 noon and 7.00 to 10.00 pm. Collection includes rare Islamic artefacts, Quranic manuscripts, ceramics, carpets and marine equipment. Arabian Gulf St. Sadu House

SAT - Thurs: 9 am to 12 noon, 7 to 10 pm. Exhibits include bedouin handicrafts - rugs, saddle bags, cushions and textiles. Closed on Friday.

## MUSIC

**Piano concert**  
JUNE 7 at 7.30 pm: Famous Turkish pianist Ms Arin Karamursel will give a performance at the Ballroom 'A' of the Kuwait Sheraton. Tickets are KD5 per person followed by a reception. For reservation contact 2422055 ext 104/107/109.

**Musical evening**  
JUNE 9: Octave presents a grand musical evening comprising hit songs from Hindi, Malayalam and Tamil films, at the Indian Arts Circle auditorium, Fumatees at 6.30.

## Ghabra wins book award



Ghabra: award

DR Shafiq Ghabra, a professor of political science at Kuwait University, recently won an award for his book "Palestinians in Kuwait: The Family and the Politics of Survival".

Ghabra's book won the "Outstanding Academic Book" Award, given annually by Choice of the American Library Association. It was selected from over 6,200 books appearing in English in all fields of knowledge.

The Choice, reviewing Ghabra's book said it was "The best book yet written on the social mechanisms - family, village, city, social, educational and philanthropic funds created by Palestinians to secure their survival in the wake of their 1948 expulsion from Palestine as a result of the Arab-Israeli war."

pm.

## THEATRE

**Konkani Drama**  
JUNE 15/16 (4.00 pm): Nishibachio Diwo Faloulo, the MAR production's Konkani drama, directed by Prem Kumar to be staged at the Indian Arts Circle. For entry passes contact Raja Stores, tel: 2412970.

## FILMS

**British Council**  
JUNE 11/12: Tootsie is this month's feature film at the British Council, Mansouriya. Dustin Hoffman plays Tootsie. Desperate, he took a female role and became a star. Comedy at its best. Also stars Sydney Pollack, who also directs, and Jessica Lange. It will be shown at 6.30 pm on both nights. Duration 112 minutes. Admission free but it is advisable to reserve seats. Tel: 251-5512; 253-3204.

## SOCIAL

**Milad mahfil**  
JUNE 9: Bangladesh Association will organise a Milad mahfil at 5 pm on Friday at the new Bangladesh embassy premises in Khaldiya. All Bangladeshis are cordially invited.

The new address of the embassy: Plot 83, Block 1, Road 14, Building 3 (just opposite to the bus stop near the KTC garage, Shuwaikh).

**Gabazard Dive Club**  
JUNE 11: The organ-

## CINEMA

**Al Andalus**  
Beetle Juice  
Starring: Michael Keaton, Ila Baldwin, Gina Davis  
Al Sabaiya  
Nuts  
Al Hamra  
Suspect  
Starring: Dennis Quaid, Cher

**Drive-In**  
Haarar Al Habab (Arabic)  
Starring: Yousif Shalabi, Saeed Saleh, Najwa Foad  
Al Firdous  
Gunahon Ka Faisla (Hindi)  
Starring: Shatrughan Sinha, Dimple Kapadia  
Fahad Open-Air  
Phir Wohi Raat (Hindi)  
Al Fahad  
They Went That Way, that-a-way  
Al Jaahra  
Cry Freedom  
Granada  
Nuts  
Salaibkhat  
Moonstruck  
Al Jeeb  
Julie  
Ahmadi Drive-In  
Bound for Glory

**Required Sales representative**  
For reputed CAC establishment, with Kuwait driving licence, knowledge about air conditioning and transferable residence. Tel: 281203; 2815661. Contact between 5 pm and 9 pm.

**URGENTLY REQUIRED Bilingual female secretary**  
Knowing English/Arabic correspondence, typing, fax, with experience in building materials, preferably chemicals, for immediate appointment. Please contact tel: 2406736 during office hours.

## TELEVISION PROGRAMMES

## KTV 1

9.00 Holy Quran  
9.20 Sabah Al Khair Variety  
9.30 Itah Ya Simsim  
10.00 Magazine De' Actualite  
10.15 Hikayat Sakhina: Arabic Serial (part 3)  
11.00 Sabah Al Khair News  
11.20 Al Theeb Wa Oyoon Al Madina: Arabic Serial (part 3)  
12.35 Cultural Film  
1.00 The World News via Satellite  
1.30 Faloona: cartoon Serial  
2.00 Variety  
2.15 Abu Awwad: Arabic Serial (Part 3)  
3.00 Mawsoot Al Sona Al Nabawiya: Religious Programme  
3.30 Cartoon Serial  
4.00 Meerath Al Sineen (Al Souqut) Religious: historical Stories (part 1)  
5.45 Al'Alfa Wa Elsaif  
7.00 Tomorrow's world (Aalam Alghad): Cultural Programme  
7.30 Variety  
7.45 Holy Quran and Science: Prepared and Presented by Dr Ahmad Shawqi Ibrahim  
8.30 Omsiyat Al Ithneen: Local Programme, prepared and presented by Mohammed Al Barjis  
9.00 Arabic News  
10.00 Layali Al Hilmiya: Daily Arabic Serial (part 23)

## KTV 2

10.45 Bayn Al Samma' Wa El Ard: Arabic Feature Film.  
12.30 News Summary  
6.00 Holy Quran  
6.10 Bionic Six: cartoon series  
6.30 Wild America: "Con-roversial Coyote"  
7.00 Roving Report: weekly roundup of world and regional affairs.  
7.30 Charles-in-Charge: "Mr Brilliant". Charles attempt to please his employer becomes a nightmare.  
8.00 News in English  
8.40 Paradise: "Devil's Canyon". Willie plots to kidnap Clara and marry her under duress.  
9.30 227: "Repture". Calvin is poor in studies and Mary, Rose and Lester take turns to brush up his knowledge  
10.00 Alfred Hitchcock Presents: "Hunted". A two-part series, it tells the story of a dejected man who wants to take revenge.  
10.30 French Series: One Cop. On Judge. "Flamboyant Neuf."  
12.00 News Summary/Magazine D'Actualite/ Closedown

restaurant in town. Serves varied fast food items plus specialties. Eedam: Come and try our daily specials. We also have a dietcorner for weight watchers.

**At the Holiday Inn**  
THE Coffee Shop: A variety of Continental and Oriental cuisine to suit everyone's taste, for lunch or dinner.

**At Al Andalus: Thursday** - Arabian night. Savour the exotic food especially prepared for this night. Our local entertainers provide music.

**Family Brunch:** A wholesome day for the family; entertainment includes Walt Disney cartoon characters plus performance by the great magician; plus food and desserts.

**At the Swimming Pool:** It's a great night out by the pool, at Shazad BBQ starting at 8.00 pm: barbecue - music - games - prizes and surprises. Bring your family and friends.

## SPORTS

**Health and Recreation**  
AT the Holiday Inn: Swimming lessons available with three qualified swimming instructors: Mondays (6 to 7) separate ladies and men keep fit classes with Steve and Chris Hill; Saturdays and Wednes-

days (5 to 6 pm) ladies aerobics and Saturdays (6 to 7 pm) mixed aerobics with Touvi Pakasalo; Saturdays and Tuesdays (7 to 8 pm) Yoga; Bowling alley available for company tournaments; Sundays squash handicap tournament - all standards welcome, open to non-members; Squash coaching available from our two champions professional squash instructors: tennis coaching by our newly appointed professional US/UK registry instructor; learn the martial arts with our black belt instructor - Maytham Mukhaimi - starting Sunday 4th June and on following Sundays (6.30 to 7.30 pm) mixed classes.

Also additional facilities available under the supervision of selected professionals: weight loss, body building, massage (steam-oil-cream) for ladies and men. Please contact the Recreation Department Tel. No. 4742000, ext. 6788 or 6700.

## PRAYERS

Fajr	3.14 am
Zuhr	11.46
Asr	3.21 pm
Maghreb	6.45
Isha	8.16



SAS club squash tournament

The SAS Hotel recreation manager Tony Reed presented the trophies to the winners of the SAS club annual Pepsi-Cola Squash Handicap, Andy Richardson and runner-up Mike Snell. Pictures shows the winners and other officials.

## REQUIRED A female secretary

Efficient and smart, capable of handling office routine, typing, fax, telex and independent correspondence. Please contact: 4732612, 4713554.

## URGENTLY REQUIRED Bilingual female secretary

Knowing English/Arabic correspondence, typing, fax, with experience in building materials, preferably chemicals, for immediate appointment. Please contact tel: 2406736 during office hours.

## Why Not Improve YOUR English?

Be Specialist Trained in Written and Spoken English!  
A GOOD COMMAND OF ENGLISH can ensure your success! It can improve your chances of promotion - get you a better job - increase your earning power and enhance your social life. You can acquire it quickly and easily.  
We offer you a specialist, home-study Diploma training in Business English - including tuition for Pitmans, LCCI and RSA exams. You learn how to write business letters, reports, memos, telex, telegrams, conduct meetings and lots more about business - as well as how to use the English language in your job.

Your training is conducted in English. If you understand this announcement, you will understand the prospectus - sent FREE on request. So, write NOW for your copy giving your name and address in BLOCK CAPITALS, to Business Training Ltd, Dept. B/ATS 39, 7 Dale Street, Manchester, M1 1JB, England. C.A.C.C. Accredited

Please tell me about your home-study training and how I can obtain my specialist Diploma.

BLOCK CAPITALS PLEASE

Dept. B/ATS 39, 7 Dale Street, Manchester, M1 1JB, England. C.A.C.C. Accredited



# ARAB TIMES Classifieds

# MARKET PLACE

## ACCOMMODATION

### Available

SHARQ, near the Firdous Cinema. Sharing flat with tele facilities. Only for Dawood Bohra family. Tel. 2402974. Res.

(AT2-47661-3)

OMARIYA Street, behind the Zoo. Room with water and electricity. Rent KD 60. Contact personally at the tailoring shop.

(AT2-47678-2)

SALMIYA, accommodation for a Goan bachelor to share with a Goan family near bus routes 19, and 30. Tel. 2463243-4

(AT3-47670-2)

HAWALLI, opp. Rihab Complex. Sharing room in a flat with water and electricity for an Indian couple. Rent KD50. Tel. Mr. Shetty, 2656821. 9 am - 12 noon, 4.30 - 8 pm.

(AT3-47671-3)

KUWAIT City, Sharq. House No 164, 3 rooms with 1 storehouse for a family. Tel. Qamar Begum, 2401332.

(AT3-47693-3)

FARWANIYA, behind the Holiday Inn. Sharing room with tele. facilities for one person, preferably Indian. Bus routes 34, 21, 22, 101, 501. Tel. 4747321. Res. 8 am - 10 pm.

(AT4-47691-2)

### For Rent

QURTUBA, one floor of deluxe new villa, CAC, with 5 bedrooms, hall, kitchen, 3 bathrooms, intercom and separate entrance. Rent KD430. Tel. 5313656. 4 - 10 pm.

(AT1-47592-3)

KEIFAN, ground floor of a villa with 3 bedrooms, 2 living rooms, swimming pool, CAC. Rent KD 600. Tel. 2626484. 4.30 - 8.30 pm.

(AT2-47663-3)

## FOR RENT

Villas, half villas, flats, complete buildings, offices in all areas in Kuwait with or without swimming pool

**Qatar Real Estate**  
Tel. 2406592,  
2406593

TURKEY, 2 bedroom apartment in a sea-side holiday complex, situated on the touristic belt on the Aegean coast nearby. Kusadasi Township near Izmir. Fully furnished all inclusive KD 200 per month. Tel. 4730015 pm.

(AT2-47657-3)

SALWA, Area No. 10, St No. 4, Building No. 11, Apt No. 3. 2-bedroom CAC apartment, available 15/6/89 or 1/7/89. Rent including electricity, KD180. Carpets, curtains, kitchen cupboards. KD150. Tel. 5620813.

(AT1-47644-3)

BAYAN, fully furnished without furniture 4 bedrooms, 3 saloons, annex including garden, very clean. Rent KD 750/650. Tel. 5324848.

(AT3-47694-3)

## FOR SALE

### Boats

SAILING yacht — Beneteau First 38- S "race equipped" and proven, 12M length sleeps 9, KD 27,000. Tel. 2408033, 4677296.

(AT2-47656-3)

### Cars

HONDA Accord 1984, 2 doors, red, AC, sunroof, automatic, 53,000 kms. One owner, in excellent condition. KD 1,250 cash or installments. Tel. 5633952.

(AT2-47684-3)

MERCEDES Benz, 1980, AC, manual gear, white, 92,000 kms sunroof in excellent condition. KD1,685, one. By installments KD 860, KD 66 per month. Tel. Engr. Saeed, 4733724. 1-4 pm, 8 - 12 pm only.

(AT2-47658-3)

FIAT Argenta, 1982, first registered Nov '83, manual, AC, one lady owner, 47,000 kms in excellent condition. KD800. Tel. Mrs. Anderson, 5318060/1, ext. 21, 7 am - 2 pm.

(AT1-47640-3)

MAZDA 929 GLX 1988, maroon, 4 doors, CAC, fully automatic, sunroof. Bought from company. Nov. 88, 12,000 kms. One owner, insured upto Oct. 1991. KD 3,500 cash or installment. Tel. 2401908.

(AT2-47683-3)

BMW 735i, 1982 fully automatic, new tyres, dark grey in very good condition. KD. 2000 cash. Tel. Nasim Naeem, 4847150, 4838494, 9.30 am - 1 pm, 4.30 - 7.30 pm.

(AT3-47680-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

SAAB 900 Turbo, 1982, white, sunroof, insured upto May 1990, rebuilt, automatic transmission. Owner leaving Kuwait. KD550 cash. Tel. Bob, 2406203, 5 - 11 pm.

(AT1-47641-3)

## SITUATIONS

### Wanted

HOUSE maid South Indian, seeks part-time job in Salmiya or Jabriya areas. Tel. 5618834, 5313008.

(AT2-47662-2)

CIVIL engineer, living in Kuwait, 3 year's experience, with working visa, wants job immediately at reasonable salary. Tel. 5611243.

(AT4-47685-3)

BI-LINGUAL typing experienced post-graduate, seeks job, afternoon. Tel. Joseph, 4319678.

(AT1-47650-3)

ACCOUNTANT, Indian, B.Com with 14 years experience as accountant with knowledge of typing and telex and transferable visa, seeks immediate full time employment. Tel. 2414597.

(AT3-47682-3)

### Vacant

MAID required for a European household (no children) for 3 months full-time. Would suit married couple. Tel. 5658147.

(AT2-47666-3)

## SERVICES

### Tuition

KINDERGARTEN/Nursery for pre-schoolers 2 1/2 to 4 years, run by an experienced teacher in Darya/Shaba area. Tel. 2562865, after 5 pm.

(AT3-47675-3)

AVAILABLE in Mathematics, Physics and Chemistry for Std. IX to XII. 'O' and 'A' level in Kuwait City behind the GPO. Tel. 242246.

(AT2-47645-2)

### Transport

REQUIRED from Salmiya, behind the Family Bookshop, to Shuwaikh near the fish/veg. market. Office timings: 8 am - 12.30 pm, 4 - 7.30 pm. Tel. Francis, 4813566/ ext. 215, 9 am - 1 pm only.

(AT3-47701-3)

REQUIRED for a couple from Hassawi to Shuwaikh near 7-Up to reach at work 7.30 am and back 5 pm. Tel. Mauricio, 4842037, 4848175.

(AT1-47610-3)

## MISCELLANEOUS

LADIES learn Mughlai cookery! Short course: weekly classes conducted privately by a qualified professional. For details contact 4897496.

(AT1-47600-3)

### LOST

PASSPORT No. E-985973 including showup papers, fingerprint report and doctor's report in the name of Shabbir Hussain. Finder please inform the Indian embassy. (AT1-47649-3)

## FOR RENT

Big villas, small villas, half villas and also stores are available in all areas of Kuwait. **Messilah Beach Real Estate**  
Tel. 2401858  
2408510

## BOODAI AVIATION

**CARGO**  
**MAHAY**  
**Philippines**  
Door-to-Door Service  
by Sea and Air  
Contact Baby

Free delivery in provinces  
Tel: 4847937,  
4817708,  
4837650.

## CARPET

## CLEANING

Sofa and General Cleaning at your premises!  
Contact **GULF DAWN**  
Establishment  
Tel. 5624725

## For Rent

Villa, beautifully maintained, 4 bns, 3 ba, with marble flooring throughout, garage and annex.  
Tel: 5339280  
5339281.

## JUMANA TRADING CO.

Specialising in trading of central air-conditioning spare parts and other installation materials, like copper pipes, canvas connection and insulating materials etc.  
We are offering competitive price in the market.  
Location: Behind Al Qabus newspaper, Shuwaikh  
Tel: 4838562, 4849628

## GENERAL

## SERVICE

For all your shifting with transportation, painting, wall papering, carpet & villa cleaning. We are at your service, with skilled workers.  
Contact Mr. Saeed Tel: 4748577/  
4731004. Timings: 8.00 am - 1.00 pm and 4.00 - 8.00 pm. Al Mawasin Trdg.

## REQUIRED

## A young active

## housekeeper

for an ambassador's house. English is essential.  
Contact Tel: 2531816 - 2513243  
(8:00 am to 1:30 pm)

## HAIJ

Departure for haj caravan 24-8-89 return 16.7.89  
Departure for haj caravan 4.7.89 return 16.7.89

Booking by air and road continues. Furnished accommodation in Madina (Qar-ul-Madina) and in Makkah (Qureshi Building). Final date for depositing passport — 10.6.89.  
Contact: (1) Malik Al-Naseem at 5725086 or Puddal Hotel, Solimiyah, after 6 pm. (2) Abu Yusef at 4813221 after 4 pm. Hamid Bager Al Naseem.

## Khalifa Al Jassim Trading & Contracting Co.

Freight services  
Competitive and Reliable  
Ship your car and personal effects door to door service to UK (sea/air)  
Consolidated container to UK every 15 days. Full container service to European countries/Americas. Also accepting project cargo to export — by Ro/Ro.  
For all your enquiries  
Pis call: 4816004/4816144 Ext. 225/249.  
Port Office: 9016813.

## IBA KAMI KAPAG

CARGO ANG  
PINAG - USAPAN  
DOOR TO DOOR  
PHILIPPINES  
484-6009

## FOR RENT

SALWA — 3 bedrooms, large saloon with carpet and curtains, garden encl. 650/-  
ARADALUS — 3 bedrooms, large saloon with carpet and curtains, garden, encl. 650/-  
MISERAB — villa, 3 bedrooms, multi, 2 saloons, large garden — 700/-  
4 bedrooms, 2 saloons, large garden and multi — 850/-  
Jabriya — flat, 4 bedrooms, large hall encl. 650/-  
Tel. 2621381/2626297/2626366, Mohammed Salwa

## FORM ARABIA FURNISHING CO. WLL

If you don't want to buy your furniture why not RENT IT  
We have good quality, stylish furniture.

Give us a call and let us sort out your furnishing problems. Second-hand furniture also available.

Telephone  
4878009/8478010/8478815  
Showroom: 8 am — 12 noon and 5 — 8 pm

## FOR RENT

Apartments, central AC with water, for families, in Bneid Al Qar area, near the Kuwait International Hotel (Hilton) — two bedrooms, a hall and two bathrooms. Rent KD 250 monthly.  
Tel. 2526876

## GARMENTS SALE

Large variety of left-over garments at price of KD1,000 and KD1,500 only. Also large variety of ready wear for infants, teenagers, ladies & gents at:

**Family Care Center,**  
Farwaniya Main Street,  
Opp. Farwaniya Clinic,  
Tel: 4716181

## WANTED

## Teachers

to teach English, French and German, as foreign languages

If interested please tele.  
2414820  
2431565

## FOR SALE OR RENT

## Beauty salon for ladies

At Yarmouk area, Block 2, Salim Al Ali Complex, with full equipment and licence.

Please call: 5337250

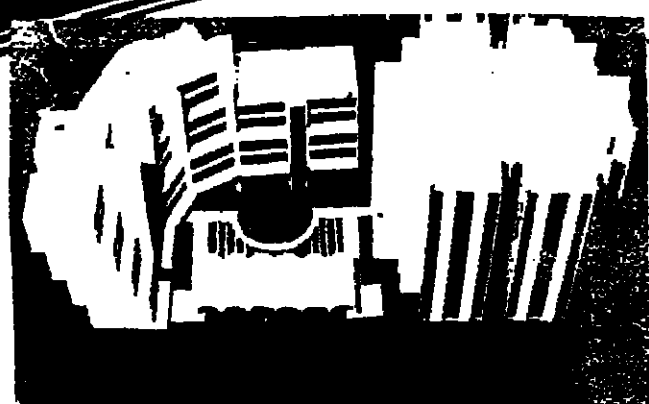
## FOR RENT

Two new de luxe villas — Al-Mansouriyah (main street), each consisting of a basement, 2-1/2 floors and an out-door compound  
Large reception hall with its attachments + 2 separate servants' rooms  
Can be used as an embassy and an ambassador's residence — combined.  
Contact tel: 4830290.

## The complex is provided with:

- Childr en's recreation facilities
- squash, tennis and basketball courts
- super market
- park
- central aerial
- exercise room.
- swimming pool for adults and children
- sauna
- emergency power-generating sets.

## FOR RENT



## AL Rayah Residential Complex in Abu Halwa area No. 8 - Mudar St.







عمینی کا جانشین کون ہوگا؟ علماء کونسل کا ہنگامی اجلاس طلب کر لیا گیا

پاکستان کے لیے اس کام کی بنیادیں وہی ہیں جو کہ پاکستان کے قیام کے لیے رکھی گئیں تھیں۔ پاکستان کے قیام کے لیے جو کام ہوئے تھے، ان کے لیے وہی کام ہوئے ہیں۔ پاکستان کے قیام کے لیے جو کام ہوئے تھے، ان کے لیے وہی کام ہوئے ہیں۔ پاکستان کے قیام کے لیے جو کام ہوئے تھے، ان کے لیے وہی کام ہوئے ہیں۔

جڑواں بچے کی ولادت کی ایک نیا قیادت کیلئے سے پیش کیا جاسکتا ہے کہ سائنس نے آج کے ایسے ہی کمزور بچوں کو بھی پیدا کرنے کی صلاحیت حاصل کر لی ہے۔ اگرچہ یہ سائنس کی ایک نئی قیادت ہے، لیکن یہ سائنس کی قیادت ہے۔

مشرق و مغرب میں شائع ہونے والا پہلا اردو اخبار

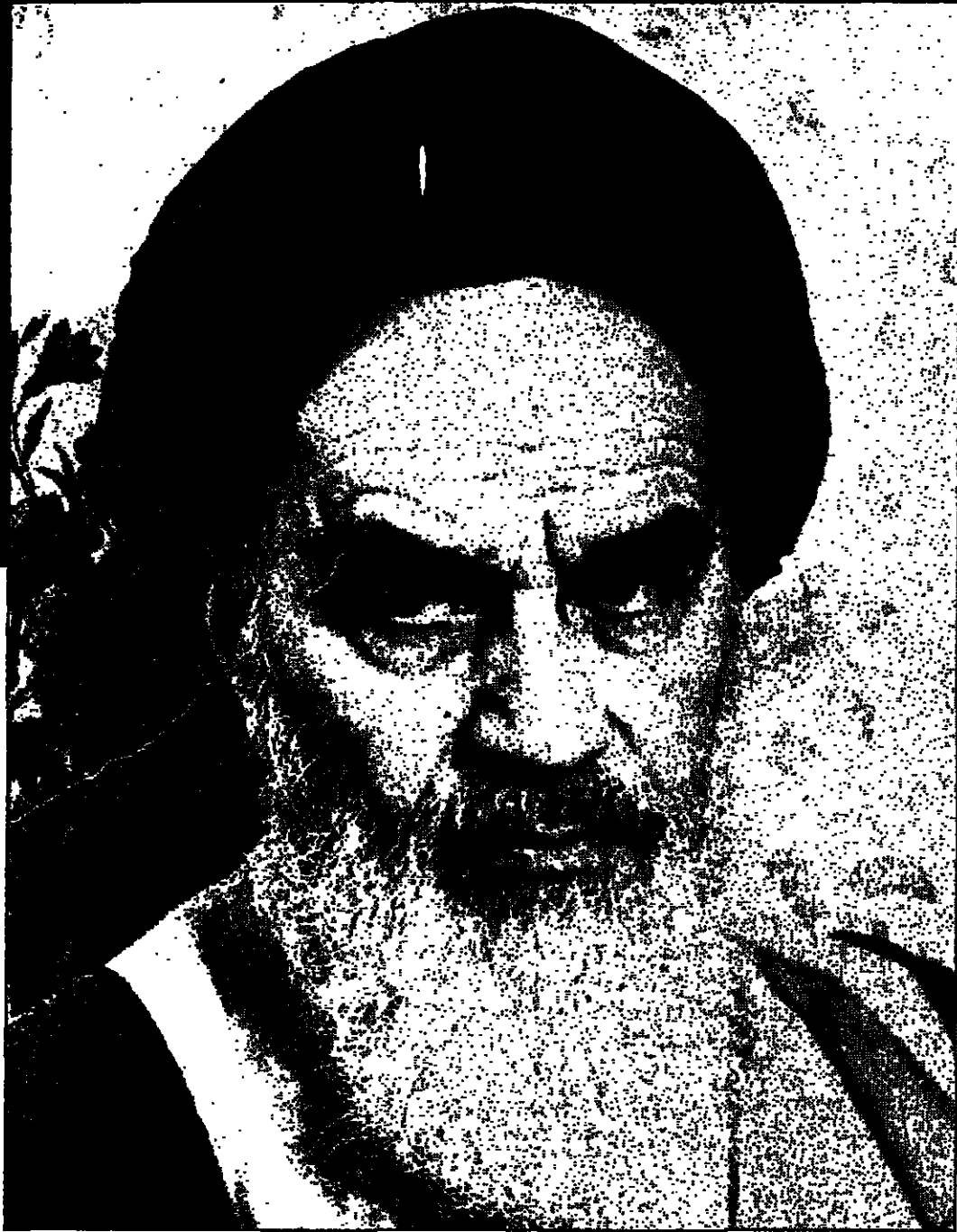
پیر ۲، زلیقہ ۱۴۰۹ھ - ۵ جون ۱۹۸۹ء - چیف ایڈیٹر احمد عارف اللہ

● ایران میں چالیس روزہ قومی سوگ اور ہفتے بہر کی تعطیل کا اعلان ● لاکھوں ایرانی عوام دھڑا کر مارتے ہوئے خیموں کی رہائش گاہ پر جمع ہو گئے ● قومی پرچم سرنگوں کر دیا گیا ● میت تجسیم و خیمین کے بعد ہم دیدار کیلئے رکھ دی گئی ● تہذیب آج ہو گئی

تخمینی است از سال کمر کے

قائد انقلاب کی موت عظیم سانحہ ہے جس کی تلافی ممکن نہیں ہے ، صدر عسائی خواہمٹی ، وزیر عظم موسوی ، اسپیکر ہا ستمی رضہانی اور شیخس جہاشس کا مسئلہ کہ بیان

یہ اللہ تعالیٰ کی حالت ہفتے کی رات اچانک بگڑ گئی، جان بچانے کی تمام کوششیں رائیگاں گئیں اور اتوار کی صبح خالق حقیقی سے جا ملے، پسماندگان میں ایک بیٹا، تین بیٹیاں اور ایک بیوہ شامل ہے۔



ایران میں ہر آنکھ اشکبار ہے تہہ بہ تہہ اس میں سینہ کوئی اور گھر بنیاداری

مردم و خواہشمندوں پر کائنات نے دھریں اور صبر سے کام لیا، لیکن احمد شہید کو انہیں سیل  
 تھران میں تھران (نجین) ایران میں اسلامی انقلاب کے کئی اور ایوانی قلم کے روحانی رہنما آیت  
 اللہ علیہ السلام کی عمریں آج علی الصبح تھران کے ایک ہسپتال میں انتقال کر گئے۔ ایرانی  
 خبر رساں میگزین ماردا ریو نے تھران سے ان کے انتقال کی اطلاع مرحوم کے فرزند عوامی کے میاں کے  
 حوالے سے دی جس کے مطابق ان کی حالت کو تشویش کا شائبہ نہ ہو گی کی تاہم ماردا ریو نے ان کی جان  
 بچانے کی سڑ کو کشیں کیں جبکہ آدہ نہ ہو سکیں اور روحانی رہنما علی الصبح اپنے اچھے حلقے سے  
 تھران کے دھوکے کے بازار سے چلیا تے ہوئے پہنچی اور آواز میں بتا کر لام انتقال کر گئے ہیں اور  
 اس کے بعد ہر آنکھ اشکبار ہے تہہ بہ تہہ اس میں سینہ کوئی اور گھر بنیاداری

[illegible]

جمہوریت کا دروازہ کھلنے کا امکان پیدا ہو گیا ہے بنی صدر

[illegible]

خمنی کے انتقال کی خبر سن کر بیروت کے مسلم علاقوں میں دس روز  
جہازوں میں داخلہ دینے کو کہا گیا ہے۔ اس کے بعد شیعہ آئین کی بات

بروز ۳ جون ۱۹۸۱ء پشاور کے ایک اور بڑے علاقے کے کھلی کی الٹا گھر میں گھسے کے سلسلہ کی طرف سے ایک گھر پر حملہ کیا گیا۔ گھر کے مالکوں کو قتل کیا گیا اور گھر کے مالکوں کو قتل کیا گیا۔

تیاں من سکوا لڑو بیچنگ کی سڑکوں پر فوج اور مظاہرین میں تصادم ہزاروں افراد ہلاک و زخمی

[illegible]

نفتا، شہ: لغات کیا، ہی گئے، سرکار، اعلا

[illegible]

طلباء کے مظاہرے اور جلوس

[illegible]

جنگ کی یونیورسٹیوں میں مشغول طلباء کے مظاہرے، فوجی اقدام کی مذمت

[illegible]

پولینڈ میں سو رکھی پارلیمنٹ منتخب

[illegible]

$\frac{1}{2} \times \frac{1}{2} = \frac{1}{4}$

بہسوریت اور پراسن چینی عوام کے خلاف طاقت کے استعمال سے چین امریکہ تعلقات مہارہ ہوئے ہیں اس امر کی حکومت اور عوام کو فوجی اقدام سے سخت صدمہ پہنچا ہے

[illegible][illegible][illegible]

پاکستان کی حکومت میں ایسے لوگوں کو تنقید کا نشانہ بنانا درست نہیں ہے۔



چند مسائل افواج کے بہادر طلبہ کے تھراؤ سے بھاگ کر عظیم عوامی ہال میں تالینے کی کوشش کر رہے ہیں



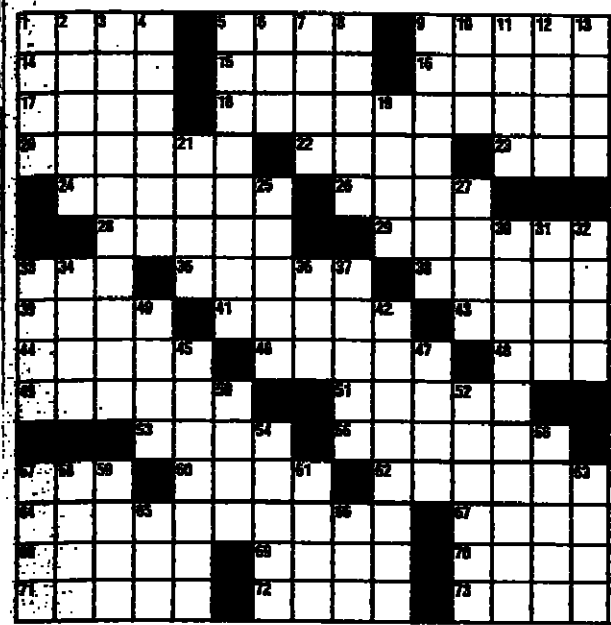
جسودے تلو از طلب تیان من اسکو اتر میں مسلمانوں کی ایک بکتر بند گاڑی پر قبضے کے بعد اسے توڑ پھوڑ کر دیں۔



۳۱: میرا اسکو انعام دے دیجیے گا۔ ایک طالب علم کو اسٹریچر اسپتال لایا گیا ہے



## TODAY'S CROSSWORD



## GOREN BRIDGE

BY CHARLES GOREN AND OMAR SHARIF

## ANSWERS TO WEEKLY BRIDGE QUIZ

Q.1—As South, vulnerable, you

hold:

♠KQ5 ♥AJ52 ♦K105 ♣J73

The bidding has proceeded:

South West North East

1 ♠ Pass 2 ♦ 2 ♠

?

What action do you take?

A.—There are only two realistic

possibilities: pass, to show a mini-

mum opening bid, or two no trump

to show your spade stoppers. With

over a third of your values concen-

trated in the enemy suit, we prefer

two no trump to warn partner of

possible duplication. Despite your

excellent support for partner's suit,

three diamonds would be wrong on

this holding.

Q.2—As South, vulnerable, you

hold:

♠83 ♥KJ1052 ♦106 ♣AK104

The bidding has proceeded:

North East South West

1 ♦ Pass 1 ♥ Pass

2 NT Pass ?

What do you bid now?

A.—You should begin to be inter-

ested in slam. The first step is to

complete a picture of your hand.

Since you have a good second suit,

show it. Bid three clubs.

Q.3—As South, vulnerable, you

hold:

♠83 ♥KJ1052 ♦106 ♣AK104

The bidding has proceeded:

North East South West

1 ♦ Pass 1 ♥ Pass

2 NT Pass ?

What action do you take?

A.—This time you have three possi-

ble actions: three no trump; three

hearts; double. Unless East has tak-

en leave of his senses, double is un-

likely to compensate you for the

value of the game, or perhaps slam,

you are missing. Our choice is for

three no trump, just to tell partner

where most of our values lie.

Q.4—Both vulnerable, as South you

hold:

♠K95 ♥AJ32 ♦KJ3 ♣QJ5

Partner opens the bidding with one

no trump. What do you respond?

A.—Even if partner has a maximum

18 points, with your flat hand and

lack of intermediates slam is unlik-

ely to be a bargain. So why risk an

almost certain minus score by going

overboard? Be content with three no

trump.

Q.5—Both vulnerable, as South you

hold:

♠KQ10732 ♥AJK53 ♣6

Partner opens the bidding with one

no trump. What do you respond?

A.—We would be prepared to play

in hearts at whatever level is dictat-

ed by the number of aces partner

holds and take our chances on los-

ing no trick in diamonds. The way

to ask is by bidding four clubs—the

Gerber Convention. A bid of four

no trump would be quantitative, not

ace-asking.

Q.6—Both vulnerable, as South you

hold:

♠Q104 ♥742 ♦J732 ♣KQ3

The bidding has proceeded:

North East South West

2 ♥ 3 ♠ ?

\*—strong

What action do you take?

A.—This time you have three possi-

ble actions: three no trump; three

hearts; double. Unless East has tak-

en leave of his senses, double is un-

likely to compensate you for the

value of the game, or perhaps slam,

you are missing. Our choice is for

three no trump, just to tell partner

where most of our values lie.

ANSWER TO PREVIOUS PUZZLE:

RUFF PEDAL MISS

ARLO ARENA AMMO

IGOR RANTS OPEN

NEWMAITTIK RAB

ELI CANTORS

RETRACTS ROOM

ILLI SLATE TYPED

LAMB EWEERS STAR

EMBER SPIES WRY

UTES SECTIONS

ENCHANT REM

AUK POREKEWPIINE

SETH RELIT ADEN

EVOE TAINIE READ

LOOM STAGS TARS

## ACROSS

1 Some are legal

Margot

Fonteyn's title

Namesakes of

a Puccini

heroine

14—were (so to

speak)

15 Actor Richard

16 Bouquet

17—many words

(literally)

18 Kiljoys

20 Solve, in a way

22 Girl, to Demon

Runyon

23 Relatives of

aves.

4 Memorable

humorist Will

6 Movie magnate

Marcus

28 Direction in

music

29 Minute amounts

33 Electrical unit

36 Bivouac

accommoda-

tions

38 Saddle part

39 Flowers' needs

41 Counts calories

43 Ticket order

encl.

44 Kilmer poem

46 Magna—

48 Winter mo.

49 Encircles

DOWN

1 Was profitable

2 Lou Grant

portrayed

3 Faded

4 Larry, for one

5 Left high and

dry

6 Give it—(try it)

7—Muller's

Whittier poem

8 Sign up

9 Rough ones

10 Tax orp.

11 Playwright Hart

12— a man

with...

13 Back talk

19 Intrigue

21 Fender bender

25—boom

27 Long-distance

phone serv.

30 Slumber

number

31 Affluence

32 Write out

detailed plans

33 Garment

varmint

34 Loser to the

tortoise

36 Black or green

37 Valuable violin,

for short

40 Bell-shaped

flower

42 Fish dish

45 Ocean floors

47 Pip or buck

ending

50 Suffix with

young or old

52 English prince

54 Orchid

ingredient

56 "La—Vita":

Fellini film

57—"the Mood

for Love"

58 Exclusive

59 Elevator man

61 Nap

63 At no time,

to a poet

65 Boater or

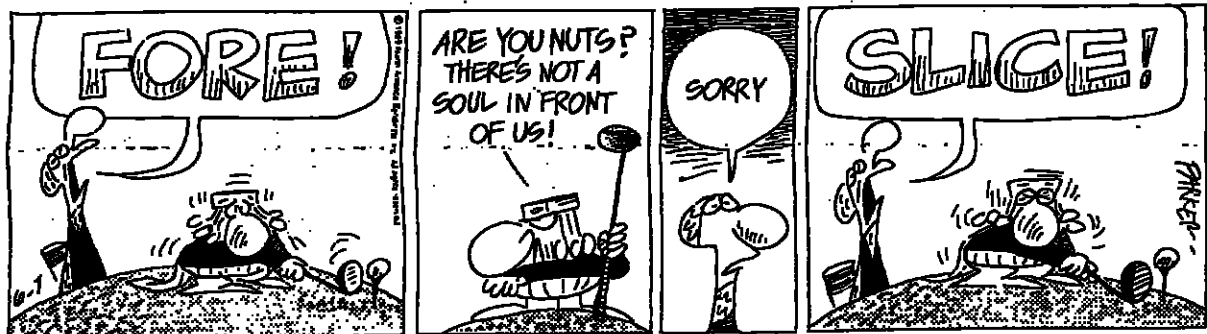
bowler

66 Never

say this

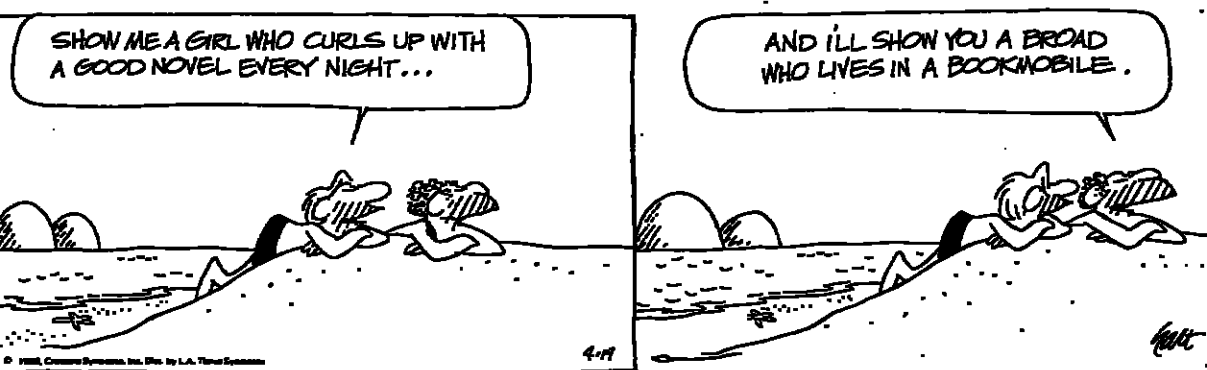
## THE WIZARD OF ID

By Brant Parker and Johnny Hart



## B.C.

By Johnny Hart



## YOUR STARS



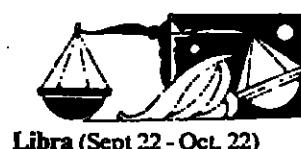
ries (March 20 - April 18)

You will be better able to take the initiative. You are liable to rush and then have to revise what's been done only superficially. ork hard do not neglect your personal affairs. Your lucky numbers are 4 and 28. Be respectful.



Cancer (June 21 - July 21)

Make sure you do not do anything that might injure your health. Take enough rest but do not become a sleep addict. Do not fall prey to a health fad. Be fair.



Libra (Sept 22 - Oct 22)

Something that has been puzzling you will become much clearer but it will still not be easy to deal with. You should try to keep your inner peace of mind intact. Do not regret the past but try to make a better future for yourself.



Capricorn Dec 22 - Jan 19)

You will be able to get down to things and you should concentrate on essentials. You will be able to persuade others to your point of view. Avoid going on a spending spree. Be resolute.



Aries (April 19 - May 19)

You will not be in the best of moods and should do your best to get going into an argument. You should keep your eyes and ears open. Do not take everything quite personally. Be amenable.



Leo (July 22 - Aug 21)

You will find a better way of doing something you have done the traditional way. You should not allow yourself to lose your temper, better to turn the other cheek. Do not drink more than you know you should especially if you are driving.



Scorpio (Oct 23 - Nov 21)

You will be able to deal with a situation that you feared might be insuperable. Make sure you do not become too involved in other people's problems. Avoid negative considerations. Be sincere.



Aquarius (Jan 20 - Feb. 18)

You are rather too liable to exaggerate and should try to avoid doing so. Refrain from being excessively sentimental. Have a good laugh at yourself. Be moderate.



Gemini (May 20 - June 20)

Make sure you do not leave a question unanswered nor should you ignore any bills. You should pay attention to the future and all less in the past. Avoid spending too much time on trivialities. Be serious.



Virgo (Aug 22 - Sept 21)

You should act your age and not try to keep up with people much younger than you where physical effort is concerned. Something that has to be done but you do not like doing should not be altogether neglected. Be reasonable.



Sagittarius (Nov 22 - Dec 21)

This is going to be a most interesting day for you. You should avoid believing everything you hear. Do not let a small setback discourage you altogether. Be impartial.



Pisces (Feb 19 - March 19)

Someone will return a favour that you did them some time ago. You have little reason to be depressed even though you might feel you have. Have more faith in yourself and look on the bright side. Be candid.

## Egypt defeat Chile in Cup warm-up

CAIRO, June 4, (Reuters): Egypt, hoping to reach their first World Cup soccer finals since 1934, beat Chile 2-0 in a warm-up match yesterday.

The Egyptians dominated the first half and scored twice. Striker Gamal Abdel-Hamid headed home a cross from Ibrahim Hassan in the ninth minute and four minutes from the interval Hisham Abdel-Rasoul received the ball outside the box, beat two defenders and slotted home the second.

In the second half, Chile, also preparing for the World Cup qualifying competition, launched repeated attacks but were foiled by a tight defence.

Three saves by goalkeeper Ahmed Shubier denied the Chileans any chance to score.



Chile's Hector Puebla (left) tries to penetrate the Egyptian defence. (Reuters wirephoto)

## Senna sets record

Prost spins into tyre barrier

PHOENIX, Ariz., June 4, (Reuters): World champion Ayrton Senna took a record 34th pole position with a minimum of problems in yesterday's final qualifying for today's United States Grand Prix motor race.

Italian Alessandro Nannini, in a Benetton, and Briton Nigel Mansell, in a Ferrari, will share the second row of the grid ahead of another Briton Martin Brundle, in a Brabham, and Italian Alex Caffi, in a Dallara.

Mansell was unable to improve on his opening qualifying time set on Friday while Nannini improved by 1.2 seconds.

Senna, who had claimed provisional pole with a typically commanding performance on Friday, also did not improve on his time in the final session run in searing heat on the streets of downtown Phoenix.

But his Friday time of one minute and 30.108 seconds was the best at the end of a session in which his McLaren team-mate and greatest rival Alain Prost of France spun into a tyre barrier.

Prost, who managed a fractional improvement of his time yesterday, also spun heavily into a wall during the morning's free session, but will start the race alongside Senna on the front row of the grid.

Senna has claimed all five pole positions this season, eight in succession and overtaken Jim Clark's record of 33 pole positions which he had equalled in Mexico last weekend.

"It feels good," he said. "It is a weight off my shoulders and I feel light now. The record was about

20 years old and was set by a great driver who I never saw racing so I am very happy."

Senna said he had not improved his time because of a less satisfactory tyre performance and a lack of competitive pressure. He admitted: "I did not wind myself up as I usually do."

He said the race was likely to produce several accidents and prove to be tough for drivers and cars alike because of temperatures exceeding 100 degrees F. (38 C).

"It is going to be tough to go a race distance here,"

After three wins in Detroit, Senna will be seeking a fourth consecutive United States Grand Prix win.

Roberto Moreno of Brazil, in a Coloni, and Prost were both victims of the slippery off-line surface in the latter stages.

Warwick's car was pulled off the circuit while running on only its front right and rear left wheels.

"I tried to overtake Grouillard and went wide in a corner and touched the tyres," said Warwick. "My right rear was pulled off."

The Lotus team, celebrating their 400th Grand Prix appearance, managed to squeeze both drivers into the race, three-times world champion Nelson Piquet of Brazil qualifying 22nd and Japanese team-mate Satoru Nakajima 23rd.

The team tested oil-filled radiators in the session and said they were a great improvement on their normal water-coolant system.

## McCorry beats Lumumba for world crown

STANLEY, England, June 4, (AP): Glenn McCorry pounded his way to a unanimous decision over Kenyan Patrick Lumumba to win the vacant International Boxing Federation (IBF) cruiserweight title last night.

The 24-year-old McCorry, fighting before a hometown crowd, stunned his opponent with a left hook in the opening round of the 12-round fight and never left up the pressure. But he also received of some heavy blows from Lumumba, 29, who now lives in New York.

The judges, all from the United States, scored it 118-110, 116-111 and 118-111 for McCorry in a battle of two men who had been sparring partners for heavyweight champion Mike Tyson.

McCorry, fighting at a 2,000-seat arena within walking distance of his home in northeastern England, used his superior reach to control the fight. Though there were no knockdowns, each fighter seemed stunned by his opponent's punches.

McCorry, who entered the fight as the IBF's third-ranked cruiserweight contender, improved his record to 26-5. Lumumba, the No. 1 contender even though he had not fought in 14 months, fell to 13-3 as a professional after a reported 400 amateur fights.

## Ramirez helps Astros overcome Dodgers

NEW YORK, June 4, (AP): Rafael Ramirez singled home the winning run in the 22nd inning, giving the Houston Astros a 5-4 victory last night over the Los Angeles Dodgers in the longest night game in National League history.

The Dodgers and Astros played 7 hours and 14 minutes, establishing a record for both clubs for time of game. The previous record for an NL night game was 7:04 set in on Sept 11, 1974 when St. Louis beat the Mets 4-3 in 25 innings at New York.

Bill Doran led off the 22nd inning with a single to right field off third baseman Jeff Hamilton, who pitched the final 1 2-3 innings for the Dodgers.

Glenn Davis grounded out. Terry Publ was intentionally walked and Ken Caminiti struck out before Ramirez lined a single to right field for his fifth extra inning game-winning hit this season.



## SPORTS

## SPORTS BRIEFS

## French Cup

PARIS, June 4, (Reuters): Marseille reached the French Cup final yesterday. Marseille, newly-crowned champions, beat Auxerre 1-0 away after winning the first leg 2-0 at home last week. In the other semifinals Monaco went through 5-3 on penalties after a 0-0 stalemate with Sochaux.

## Prefontaine meet

EUGENE, Oregon, June 4, (Reuters): Canada's Lynn Williams beat double world record holder Ingrid Kristiansen of Norway in a 3,000 metres race at the Prefontaine Athletics Classic yesterday.

## Coe triumphs

BELGRADE, Yugoslavia, June 4, (AP): Britain's Sebastian Coe, racing for Harringay, won the 1,500-metre event in a European Club Athletics championship at the Red Star stadium yesterday.

## Qualifying match

HONG KONG, June 4, (Reuters): Hong Kong and Indonesia drew 1-1 (half-time 1-0) in their World Cup East Asia Zone Group Six first round qualifying soccer match today.

## Japan win

TOKYO, June 4, (Reuters): Japan beat North Korea 2-1 (half-time 0-0) in their World Cup East Asia Group Six first round qualifying soccer match today.

## Diego Maradona

NAPLES, Italy, June 4, (Reuters): Diego Maradona denied yesterday he had received an offer to play for French soccer champions Marseille and emphasised he would complete his five-year contract with Italian First Division Napoli.

## Spanish soccer

SEVILLE, Spain, June 4, (Reuters): Barcelona's 11th hour hopes of catching Real Madrid and snatching the Spanish soccer championship faded when they were held to a 1-1 draw at Seville yesterday.

## Ireland win

DUBLIN, June 4, (Reuters): Ireland beat Hungary 2-0 (half-time 1-0) in their World Cup, European Group Six qualifying soccer match today. Scorers: Paul McGrath (34th min), Tony Casciaro (80th).

## Schwartz wins

SALZBURG, Austria, June 4, (Reuters): Kevin Schwartz led from start to finish and broke the track record on his Suzuki to spearhead an American top three sweep in the Austrian 500cc motorcycle Grand Prix today beating Honda's defending world champion Eddie Lawson by just over two seconds.

## Italian soccer

ROME, June 4, (Reuters): Results of Italian First Division soccer matches today:

Atalanta	0	Juventus	0
Cesena	1	Pisa	0
Florentina	1	Lecco	0
Lazio	1	Inter	3
AC Milan	4	Roma	1
Napoli	1	Sampdoria	1
Pescara	1	Como	1
Torino	0	Ascoli	1
Verona	0	Bologna	0

## BRIDGE

RESULTS of the Hubera Bridge Club game played on Saturday:

N/S

1. Jamila Akel & Nabil Akel
2. Mukerjee & Chaudhry
3. Ghannam & Ibrahim Faud

E/W

1. Matrouk & Kaddoura
2. Tiab & Kaha
3. Camilia Guirguis & Saeed Suleiman

## Retractable-roof stadium opens in Toronto

TORONTO, June 4, (Reuters): Nearly 53,000 people toasted the opening of a \$410 million convertible-roofed stadium yesterday with a flashy show of rock groups, precision motorcycle teams, roller skaters and a laser and fireworks display.

Ontario Premier David Peterson pressed a button to open the 9,500-ton, eight-acre roof of the Skydome and rain fell into the stadium causing guests to flee from their seats or to open umbrellas.

The original plans had called for Skydome to cost \$123 million and to open in April in time for the start of the baseball season. The Toronto Blue Jays will play their home games there.

But a four-month strike by construction workers delayed the first game in the Skydome until June 5. The Toronto Argonauts of the Canadian Football League, which has a summer-autumn season, will also play in the stadium.

The opening-night party was almost postponed after a city official, citing several building-code violations, denied a certificate of occupancy. Within hours however, the certificate was granted.

Plans call for the Skydome to include 350-room hotel with 70 suites overlooking the playing field that will rent for \$820 a night, a health club, bars and restaurants.

## Becker survives scare

Agassi and Sabatini eliminated



Boris Becker

PARIS, June 4, (Reuters): Boris Becker survived one match point and a severe test of his nerve and willpower today before reaching the quarterfinals of the French Open with a five-set victory over Argentine teenager Guillermo Perez-Roldan.

Second seed Becker, enjoying by far his best season on clay, trailed throughout the final set before throwing caution aside and reverting to his more usual attacking game to beat the Argentine 3-6 6-4 6-2 4-6 7-5.

Fifth seeded Andre Agassi of the United States went out of the tournament with a 7-6 (9-7) 4-6 3-6 2 loss to Jim Courier. Number two seeded Gabriela Sabatini was also eliminated. She lost 6-4 6-4 to Mary-Joe Fernandez.

Perez-Roldan led 3-0 and 4-1 in the fifth set and served for the match at 5-3 when Becker, whose own first serve was misfiring badly throughout the match, broke him to 4-0.

But he gave the 16th seed match point at 30-40 in the next game. For once, Becker got his first serve in and took the point when Perez-Roldan put a backhand wide.

With the Argentine starting to wilt, Becker turned on the pres-

sure in the next game, winning it to 15 when Perez-Roldan double-faulted on break point, and the hugely relieved West German was then able to serve out the match to 30.

Becker's frustration with his own errors came bursting out in the final set when he screamed an obscenity — an English four-letter word — and was docked a penalty point to give Perez-Roldan the opening game.

Two games later at 3-0 down he smashed a racket at the changeover and uttered a string of abuse at himself.

From 4-4 in the fourth set, Perez-Roldan won five games in a row but Becker never gave up. "In the fifth set, it doesn't have much more to do with tennis anymore," Becker said. "He was flying and I was down."

"It was a pretty good comeback. It never happened at the French Open before that I came back in a match like that. You just have to hold your nerves together, be completely quiet and search deeply inside yourself. You have to concentrate very hard, believe in the good things and think positive."

Becker said he never felt like giving up in the four-hour 22-minute match. "My biggest advantage was that he doesn't have a big serve," he said. "I knew I always had a chance to break him. That was the main factor at the end — that he couldn't win easy points on his serve."

Becker's compatriot Steffi Graf did not have anything like the same trouble, breezing through her match with Italian qualifier Silva La Fratta in 62

minutes to win 6-2 6-1.

The top seed and defending champion had dropped just nine games in her first four matches and nine of her opponents has taken more than two games in a set so far.

La Fratta, who said she was so nervous on her centre court debut that her hands went shaking when she served, added that Graf did not speak to her after the match. "She never says anything to us. She's like a god," she said.

Yugoslav 15-year-old Monica Seles, a lanky blonde whose own supporters are beginning to treat her like a goddess, continued her way through the field, reaching the last eight with a 6-3 6-2 win over Australian Jo-Anne Faull.

## Results

1-Steffi Graf (West Germany) beat Silvia La Fratta (Italy) 6-2 6-1; 2-Boris Becker (West Germany) beat 16-Guillermo Perez-Roldan (Argentina) 3-6 6-4 6-2 4-6 7-5; 3-Jay Berger (US) beat Thierry Tulasne (France) 3-6 6-2 6-0 6-3; 4-Amanda Sanchez (Spain) beat Amanda Coetzer (South Africa) 6-3 6-2; Monica Seles (Yugoslavia) beat Jo-Anne Faull (Australia) 6-3 6-2; 11-Jana Novotna (Czechoslovakia) beat Sylvia Hanika (West Germany) 6-1 6-4; 12-Jim Courier (US) beat 5-Andre Agassi (US) 7-6 (9-7) 4-6 3-6 2; 15-Mary-Joe Fernandez (US) beat 2-Gabriela Sabatini (Argentina) 6-4 6-4.

## Byrum shoots 6-under-par for two-shot lead

POTOMAC, Maryland, June 4, (Reuters): Tom Byrum shot a six-under-par 65 yesterday to take a two-shot lead after 54 holes of the \$900,000 Potomac Open golf tournament with a three-day total of 13-under-par 200.

Byrum made seven birdies along with a single bogey in moving two shots ahead of fellow-American Tommy Armour III in the chase for the \$162,000 first place prize.

Byrum rolled in a 35-foot birdie putt on the final hole to increase his margin after hitting a five iron from the rough after an errant tee shot.

"I really wanted to birdie one of the last three holes and sure enough it went in," said Byrum of his final putt.

"This is what I've worked for," added Byrum. "Each time you get in this position you learn a little something."

Armour, the grandson of Tommy Armour, leaped into contention for his first title by equalling the course record with a seven-under-par 64 that left him at 11-under-par 202.

## Sheehan moves to the top

ROCHESTER, N.Y., June 4, (Reuters): Patty Sheehan scored an impressive six-under-par 66 yesterday to take the lead away from compatriot Americans Sherri Turner and Betsy King.

Japan's Ayako Okamoto shot a three-under-par 69 to go into the final round three strokes behind Sheehan. American Patti Rizzo is alone in fourth place after a four-under-par 68.

The highlight of the day for Sheehan was her 222-yard double eagle on the par-five 17th

hole. She hit a three wood for her second shot which bounced on the par-five 17th hole. She also hit a three wood for her second shot which bounced into the hole. Sheehan jumped from six-under to nine-under for the tournament.

"My round was really boring until the 17th hole," said Sheehan. "The crowd reaction on 17 was amazing. I did not know it was a double eagle because I could still see the ball." (It was

leaning against the pin but in the hole).

Up until that point, Sheehan played consistently. Yesterday's round was her first bogeyless round of the tournament. She made one birdie on the front side on the par five fourth hole to go to four-under-par and one stroke behind Turner.

Her back nine was much more eventful when she birdied holes 11 and 12 to go to six-under-par. Her double eagle on hole 17 finally put her into the lead.

## French squad reaches New Zealand

AUCKLAND, New Zealand, June 4, (Reuters): France's rugby squad arrived in New Zealand today with coach Jacques Foroux setting his sights more on the next World Cup than the slim chance of beating the All Blacks on home soil.

With some French players likely to play in South Africa later this year, a small group of anti-apartheid protesters greeted the 30-man squad at Auckland airport.

But the demonstration against Frenchmen playing in matches to celebrate the South African Rugby Board's centenary was peaceful.

"We rise above the problems of politics," Foroux told reporters. "We have come to play rugby against the best team in the world."

He stressed that his main mission on the eight-match tour was to prepare for the 1991 World Cup. The squad, captained by scrum-half Pierre Berbezier, is a

mixture of experienced players and the younger men he hopes will form the backbone of France's lineup for 1991.

"We have players here to teach the younger ones at a top level. It will be a successful tour if it changes the hierarchy of the team."

The French, who kick off the tour next Wednesday against Counties at Pukekohe, face the near-invincible All Blacks at Christchurch on June 17 and Auckland on July 1.

Kremenco finish in third place

## Kerala tame Sports Lovers to clinch title



Kerala captain Nibu Koshy receives the trophy.

KERALA Sports Club beat Sports Lovers 15-9 15-10 8-15 15-2 to win the Nehru Centennial Volleyball Tournament, organised by the Overseas Indians Cultural Congress, over the weekend.

In the other match, for third place, Kremenco Sports Club were stretched to the limit before they defeated Century Sports Club 10-15 15-5 15-8 10-15 15-12.

Sports Lovers started the first set on a thunderous note by taking the first four points and it looked as if their captain Renji would lead his team past Kerala. But the latter, led by Nibu Koshy, stayed calm

and fought back.

The Kerala players executed a number of smashes to leave their opponents stunned. The crowd, clearly backing Sports Lovers, became more subdued as Kerala started taking control of the first set. Kerala won the first set with further difficulty.

Sports Lovers tried to get back into the game but in vain. George Thomas served well to take five straight points in the second set to leave Sports Lovers struggling. Kerala took the second set by conceding only one more point than the first. In the third set, Renji lifted his team out



Renji collects the runners-up prize.

of the doldrums by playing some good shots. Sports Lovers won the third set by conceding only eight points to their opponents.

In the third set, Sports Lovers found themselves totally outplayed after losing Venu through injury. In this set Kerala tore their opponents apart and gave away only two points to clinch the set and the game.

Teams: Kerala: Nibu Koshy (captain), John Thomas, Thomas K. Thomas, Roy, Nasser, George Thomas, Shaji and Iype Mathew. Manager: Kora C. Mathew.

Sports Lovers: Renji (captain), Joseph, Hari Das, Achen Kunju, Raju, Venu, Venkatesh, and Babu. Manager: Mani.

The prizes were given away by Abdul Latif Al Mulaifi, manager of Jeeb Al Shuyookh municipality. Friends Sports Club were named as the Most Disciplined team.

Venu Gopal of Sports Lovers took the Best Defender award while Franky of Western India Sports Club was named the Best Attacker. Renji and Oommen Kanjirally took the honours for Outstanding Players.



All the competitors on the opening day of the competition. (Photos by Amr Jadeed)

## Laborce tops women's division

## Valisno steals the show

PETE VALISNO Jr stole the limelight in the opening round of the 1st Philippine National Day Open bowling tournament, organised by the Philippine Bowling Association in Kuwait at the 300 Club over the weekend.

Valisno's performance left the field in awe. He scored 237, 193 and 223 for a total of 653 and an average of 217.6. His 237 in the first game was the day's highest score.

Jesus Ventus took second place after the first round with a 3-game series of 567. Bert Papis of the Philippine embassy and Thai Pongsak occupied 3rd and 4th places.

In the women's division, Mercy Laborce put in a remarkable performance to come up with a series total of 557. Nitz Alinea was not far behind with 553. Alinea's 193 in one of the games was the highest for the day among the women.

The tournament is being sponsored by Yacoub Al Kandri, owner of the National Trading & Contracting Company. The PBAK will donate the proceeds from this tournament towards a fund for the less fortunate members of the Philippine community in Kuwait.

Rico Pino, in his opening day speech, gave credence to Mrs Cora Faras, the PBAK's executive vice-president, for coming up with the idea of holding this tournament and helping those who needed financial support.

The tournament will be a three-game series with the top



Yacoub Al Kandri open the tournament.



Rico Pino makes the opening address.

finishers clashing in a step-ladder final. Registration for the tournament is still open and the last

day for the tournament will be June 8 at the 300 Club. The step-ladder game will be held on the following day.

## Sowell runs fast 100m, Conway sets mark

PROVO, Utah, June 4, (Reuters): New US sprint sensation Dawn Sowell ran the world's sixth fastest women's 100 metres yesterday to bag her second record at the US Collegiate Championships.

Hollis Conway set an American record in the men's high jump and Kip Cheruiyot edged gold medalist Peter Rono in a 1,500-metres battle of Kenyan Olympians.

Sowell, a 23-year-old student at Louisiana State University, clocked 10.78 seconds to win the women's 100 metres. Only Americans Florence Griffith Joyner, the world record holder at 10.49 seconds, and Evelyn Ashford have run faster.

Sowell defeated team-mate Esther Jones by more

than three metres for her second US collegiate record in as many days.

She ran 22.04 seconds for 200 metres on Friday. Conway, the Olympic silver medalist, leaped 7 feet, 9 3/4 inches to break the US high jump record of 7 feet, 9 1/4 inches that he shared with two others. Conway, who attends Southwestern Louisiana University, then unsuccessfully attempted 7-10 1/2 twice and a world record eight feet once.

Cheruiyot, seventh in the Olympic 1,500 metres, edged ahead of his more famous compatriot in the final 35 metres and won in a photo-finish. Cheruiyot clocked three minutes, 42.06 seconds and Rono finished centimetres behind in 3:42.09.

## Cram steps up to 5,000m

JARROW, England, June 4, (Reuters): Steve Cram, the world mile record holder, successfully stepped up to the 5,000 metres yesterday with the fastest time of the year at the United Kingdom Athletics Championships.

Cram clocked 13 minutes 28.58 seconds, sweeping to victory over Eamonn Martin, the fastest Briton last year, by 10 seconds.

"The 1,500 is still my priority but this shows I should be capable of mixing distances," Cram, the Commonwealth and 1983 world 1,500 champion, said.

High hurdler Colin Jackson, the Olympic silver medalist, also clocked a year's best time although the following wind was over the legal limit.

Jackson return 13.18 in his heat and again in the final.

## Wanted

Maths tutor

during July & August, '89

For a student in the secondary stage. Tuition must be in English.

Qualified candidates are requested to call: 5718891 or 5713407

## IMMIGRATION TO CANADA?



Canada welcomes foreign business persons, entrepreneurs and executives who have substantial financial status and wish to establish or invest in a business in Canada.

**MR. JOHN GARUFI**, President of **INTERNATIONAL ENTREPRENEURS** will be in Kuwait at the Kuwait International Hotel from 6 to 8th June. Interested clients please call the hotel for appointments or write to us.

Contact tel: 2533000  
Rooms: 1252/53/54

International Entrepreneurs I.E.C. Ltd  
Tel: (514) 288-7825 Telex: 055-81985 Fax: (514) 8451472  
2075 University St. Suite 1712 Montreal, QC H3A 2L1 Canada

## ARAB TIMES

Published by:  
Dar Al-Sayassah

Editor-in-Chief  
Ahmed Al Jarallah

Editorial Offices:  
Airport Road, Shuwaikh  
P.O. Box 2270,  
13023 Safat, Kuwait.

Telex:  
22832 KT

Telephone:  
4913586 (Arabic line)  
4913267

Advertising:  
4913267

Annual Subscriptions:  
Individuals KD 45/-  
Companies and Official  
Departments KD 75/-  
(Email charges extra for  
outside subscribers)